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ABSTRACT

A case study of the introduction of the Comprehensive Employment and Training Act (CETA) in Boston was conducted (1) to chronicle and analyze the changes in employment and training planning and programs as the federal policy changes from a centralized and categorical policy to a decentralized and decategorized one, (2) to examine the impact of those changes on employment and training programs and institutions, the internal structure and staffing of these institutions, program participants, and the community, and (3) to study how the CETA prime sponsor monitors and evaluates its programs. Open-ended interviews were conducted of strategic members of the city, state, and private institutions which were engaged in either planning or operating employment and training programs. Program data pertaining to client characteristics, enrollments, termination, and work experiences were collected. The eleven principal findings included these: (1) Aside from Public Service Employment, the introduction of CETA has not changed Boston's manpower system much, (2) a restructuring of the administrative system did permit incorporation of several new youth programs, and did permit special attention to the needs of ex-offenders, drug addicts, older workers, and women, and (3) due to the weakness of the local economy and administrative defects in the program there was a substantial cutback of on-the-job training. (This report concludes with twenty-two recommendations.) (EM)

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THE IMPLEMENTATION OF CETA IN BOSTON, 1974-77

Final Report

by

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U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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16. Abstracts
This is a study of the introduction of the Comprehensive Employment and Training Act in Boston in an effort to chronicle and analyze the changes in employment and training planning and programs, as the Federal policy changes from a centralized and categorical policy to a decentralized and decategorized one. The study also examines the impact of changes on employment and training programs and institutions, the internal structure and staffing of these institutions, program participants, and the community. Aside from Public Service Employment, the introduction of CETA has not changed Boston's manpower system much. A restructuring of the administrative system did permit incorporation of several new youth programs, and did permit special attention to the needs of ex-offenders, drug addicts, older workers and women. Because of the weakness of the local economy and administrative defects in the program there was a substantial cutback of OJT.

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Principal Findings and Conclusions

1. CETA found Boston with a diversified, decentralized employment and training system fashioned over the previous decade from a gamut of categorical programs operated by two community based organizations and by the Boston School Department (BSD). The community agencies had well-defined programs, serving the economically disadvantaged, including substantial proportions of minorities and young people.

2. Senior staff of the Boston Manpower Administration (BMA), themselves preferring such a system, persuaded the City administration of its desirability. The staff in turn relied on the existing institutions.

3. During the year of administrative decentalization preceding CETA, the Manpower Area Planning Council (MAPC) was fashioned to reflect these preferences. Renamed the Mayor's Employment and Training Council (METAC), its substantial community representation, accessibility and openness, continued under CETA. The Council served, as intended, as a shield against political interference. The vitality of the METAC has been a distinguishing feature in Boston.

4. In practice, if not on paper, the BMA and the METAC have been responsible solely for Title I programs. An independent office ("CETA-II") under the Mayor, has been responsible for PSE.

5. The METAC and the BMA acquired a voice in PSE, but it remains minor. Operational links between Title I programs and PSE were slow in developing and are still relatively weak.

6. The BMA had considerable difficulty achieving administrative capability. A number of factors have been responsible: staffing problems and turnover, an early failure to take advantage of regional Employment and Training Administration (ETA) technical help, and the early lack of agency cooperation in developing MIS. However, the BMA has taken the lead in developing model evaluation and follow-up techniques.

7. Aside from PSE, CETA has not changed Boston's manpower system much. However, unexpected lag funds and the responsiveness of the METAC process did permit incorporation of several new youth programs, and did permit

special attention to the needs of ex-offenders, drug addicts, older workers and women.

8. The one important internally initiated change was a substantial cutback of OJT because of the weakness of the local economy and equally important because of administrative defects in the program.

9. A much more substantial change in Title I programs, the closing of the BSD-operated skill center, was precipitated from outside the system. The released resources allowed the BMA to experiment for the first time with purchase of service contacts at area technical schools.

10. PSE provided the city with useful services many well-administered. PSE enrollees in the first two years were more likely than Title I enrollees to be better-educated, adult white males of prime working age. Persistent METAC pressure finally led to women and ethnic minorities receiving priority for slots that became vacant.

11. It is probable that the PSE administrative lapses would have been prevented if from the start the program had been under the supervision of the METAC. It also is likely that the enrollees mix would have included relatively more long-term unemployed, economically disadvantaged, women and ethnic minorities, and that links would have been established between Title I and PSE programs.

Recommendations

1. The Title I allocation formula should be amended to better reflect a prime sponsor's national share of poor persons 16 to 64 years old, or persons 16 to 64 in families earning 70 to 80 percent of the DOL's lower level annual budget in the area, with a minimum amount per poor or low income person, equal to the prior year's per person amount in real terms.

2. A distinction should be made between funds spent to raise employability and those spent for income support, such as stipends. The latter might come from HEW, the former from the DOL.

3. The benefits of decentralization and decategorization could be achieved by alternative kinds of prime sponsorships that are relatively immune from local political interference, able to employ career staffs with a long run, professional commitment, and of sufficient size to achieve administrative economies of scale. One alternative model might be special units of the regional ETA as prime sponsor, covering cohesive labor market areas smaller

than the SMSA.

4. The responsibility of advisory councils should explicitly include activities funded by Titles II, VI and III. Advisory councils should be strengthened by having its own staff funded directly by the DOL.

5. Prime sponsors should receive countercyclical funds for Title I activities above their basic Title I allocation in order to permit the lengthening or expansion of such programs when labor market conditions deteriorate.

6. Title II programs should be limited to unemployed or underemployed economically disadvantaged persons and/or unemployed or underemployed persons whose family income is 70 to 80 percent of the area's lower level family budget. Links should be required between Title I and Title II programs.

7. Half of a prime sponsor's Title VI slots should be reserved for economically disadvantaged persons or persons in families whose income is 70 to 80 percent of the area's lower level family budget. The other half should be drawn from the long-term unemployed.

8. Programs for in-school youth should be on a year-round, continuous basis, combining education with related or relevant work experience, similar to cooperative work-study programs.

9. OJT programs should be confined to primary labor market employers, defined in terms of the area's average hourly earnings, and its quit and layoff rates. One agency should be responsible for both job development and enrollee recruitment.

10. Special technical training should be provided to all job developers in Title I and Title II programs to enable them to establish close, continuing links with employers.

11. Special incentives should be given for enrolling and successfully terminating the most disadvantaged.

INTRODUCTION

This report is a case study of the introduction of the Comprehensive Employment and Training Act (CETA) in Boston, and the research was undertaken as a subcontract to a larger project involving CETA in various communities in Eastern Massachusetts. The prime contractor was Massachusetts Institute of Technology, with funds from the Office of Research and Development, Employment and Training Administration, U.S. Department of Labor.

Objectives of the Study

The decategorization and decentralization tenets of CETA have significant implications for the development and administration of employment and training policies and programs. The Act gives to the executive officers of units of local government major responsibility for the identification and selection of target groups to be served, and for the creation, implementation, monitoring and evaluation of employment and training delivery systems (i.e.,agencies and their programs). Local governments are to determine the nature of programs and select the agencies to provide the services. And if desired, a local government can be both prime sponsor and sole deliverer.

It was expected that decentralization and decategorization would improve manpower programs by freeing them of rigid requirements developed on the Federal level for uniform application throughout the country, and by having decisions made by individuals in immediate and continuing contact with local economic, social and political conditions. This intimacy was expected to lead to services that more accurately answer local needs. But the questions to be answered were: what will be the impact of CETA with respect to target groups, and employment and training institutions? And what impact will these changes have on program performances?

The principal objective of the project is to demonstrate the feasibility and value of using an outside organization (a) to chronicle and analyze the changes in employment and training planning and programs occurring in one major city, Boston, as the Federal policy changes from a centralized and categorical policy to a decentralized and decategorized one under CETA, and (b) to examine the impact of those changes on employment and training programs and institutions, the internal structure and staffing of these institutions, program participants,

and the community. A second major objective of this project is to study how the CETA prime sponsor monitors and evaluates its programs.

Methodology and Staff

The study traced the development of local employment and training policies and programs through the transitional year fiscal 1974, through fiscal 1975 (the first full year of CETA), and through most of fiscal 1976, during which the planning for the second year of CETA was underway. It was assumed that by the end of 1976 the consequences of CETA for local employment and training institutions and their programs and clients would be sufficiently apparent to draw general conclusions.

The methodology used involved interviews with strategic members of the City, State and private institutions which were engaged either in the planning or operating of employment and training programs. Program data of client characteristics, enrollments, termination and work experiences were collected and analyzed in order to assess the results of local employment and training decisions. The interviewing techniques used were open-ended, and adapted to the individual, agency or issues under discussion. Staff members regularly attended the Mayor's Employment and Training Advisory Committee meetings, as well as the meetings of the numerous subcommittees. The methodology also involved periodic meetings with the City's Employment and Training Administrator and key members of his staff to report study findings and to discuss their implications for strengthening the program planning and management. An early draft of this report was distributed to key officials in the relevant Federal, State and local offices for their comments.

The research was conducted by the two principal investigators and one research assistant. Work was begun in the fall of 1974 and continued into the winter of 1976-77. The two principal investigators have been involved in research of Boston's employment and training programs since the late 1960's. They were authors of the report on Boston in the volume Metropolitan Impact of Manpower Programs: A Four-City Comparison, ed. Garth L. Mangum and R. Thayne Robson (Olympus Publishing Co., 1973). In 1974 the researchers completed a study for The Boston Urban Observatory, Alternative Manpower Strategies for the City of Boston, which reviewed employment and training planning in Boston during the transitional fiscal year 1974.

Boston's Economic Environment

During the 1960's Boston's population dropped substantially, from 697,000 to 641,000, a loss of 8.1 percent, and at the same time the age mix, the racial mix and the geographic distribution of its population also changed. Despite the net loss of residents, the number of persons aged 15 to 29 showeda gain of 22 percent, and by 1970 this age group constituted 29.0 percent of Boston's population, compared to 21.8 percent ten years earlier. From 1960 to 1970 the number of nonwhites in the Boston area (mostly concentrated in the City) rose from 69,600 to 119,200, up by 41.6 percent. If we add the 1970 census listing of 20,100 Spanish-speaking, whom the 1960 census does not identify separately, the rise in minority group members would be even greater. These changes in the city's age and racial mix had important labor force consequences.

Between 1950 and 1970 heavy job losses occurred in Boston's manufacturing, transportation and trade sectors. Substantial gains were made in finance, service and government, but these were only enough to raise the City's total employment by 2.0 percent over the twenty-year period. These changes re-ordered the relative importance of Boston's industrial sectors. In 1950 the two top sectors were trade (with 26.3 percent of all jobs) and manufacturing (with 19.6 percent), while services represented only 13.8 percent. By 1970 the dominant sectors were trade (22.2 percent of all jobs) and services (21.2 percent), while manufacturing accounted for only 12.0 percent of Boston's employment.

The city's occupational structure mirrored this transformation. In 1960, of an estimated 479,700 jobs in Boston, 58.5 percent were white-collar jobs, 30.5 percent manual, and 11.0 percent services. In 1970, 61.2 percent of the estimated 509,100 jobs were white collar, 27.5 percent manual, and 11.3 percent services.

An examination of 1975 employment data by economic sector for the United States, Massachusetts and the Boston SMSA indicates the weakness of the Boston job situation for the disadvantaged. (See Table 1.) Note that the SMSA includes 64 communities surrounding the City of Boston.

The manufacturing sector, which normally employs a substantial number of poor and disadvantaged, is not a growth industry, and in Boston SMSA it employs a significantly smaller percentage of total employment than it does in all of the United States. In the growing service sector there is a polarized occupational structure with professional administrative and technical jobs at the top requiring extensive education and training, and low-paying, menial jobs at the

Table 1. Shares of Non-Agricultural Payroll Employment, by Major Industry, in the U.S., Massachusetts, and the Boston SMSA, 1975

Sector	United States	Massachusetts	Boston SMSA
Non-Agricultural--Total	100.0%	100.0%	100.0%
Manufacturing--Total	23.8	25.5	19.9
Durable	13.9	14.1	12.1
Non-durable	10.0	11.4	7.8
Contract Construction	4.5	3.4	3.8
Transportation & Utilities	5.8	4.9	5.4
Wholesale & Retail Trade	22.0	22.7	23.0
Finance, Insurance, Real Estate	5.5	5.9	7.6
Services, Miscellaneous, Mining	18.2	21.8	25.5
Government, Total	19.2	15.5	14.8

Table 2. Comparison of Annual Unemployment Rates

	United States	Massachusetts	Boston SMSA	City of Boston[1]
1970	4.9	4.6	4.0	4.9
1971	5.9	6.6	5.7	7.0
1972	5.6	6.4	6.5	8.0
1973	4.9	6.7	6.9	8.5
1974	5.6	7.2	7.2	8.8
1975	8.5	11.2	10.6	13.0

1. Estimated by City labor staff for Boston CETA grant application, FY 1977.

bottom requiring limited education and training. The poor and the disadvantaged are universally blocked from the jobs at the top.

One normal growth sector -- government -- is hardly that at present. State and local governments which normally employ substantial numbers of the poor and the disadvantaged, are in a financial bind and are not expanding. Even the once-growing financial sector seems to have lost its steam, and contract construction has had a devastating drop.

Over the 1970-75 period the labor force in the Boston SMSA rose by 4.9 percent, but employment declined by 2.3 percent. In general the unemployment rates were higher in Massachusetts, the Boston SMSA and the City of Boston, than in the United States. But the estimated unemployment rates in the City of Boston were the highest. (See Table 2.) In an economic environment such as that which Boston faced clearly made a transition from a centralized and Federally specified series of employment and training programs to a decentralized and decategorized program a very difficult one. And compounding the problems was the fact that the City received less funds than previously while the cost of living was rising rather rapidly.

CETA became the responsibility of Boston as a prime sponsor in October 1974. Between that date and October 1976 the Boston CPI rose by 15.1 percent. (See Table 3.) In each of these two years the Boston Title I allocation fell by about 10 percent in terms of current dollars, but in real terms the drop over the two-year period was about 30 percent. Such a drastic financial squeeze undoubtedly made the employment and training programs under CETA appear less successful than would otherwise have been the case.

Pre-CETA Employment and Training Programs

The pre-CETA programs can be seen largely in terms of the clash between an ag aggressive community based organization, Action for Boston Community Development, Inc. (ABCD), energized by the civil rights movement of the 1960's and the largesse of federal anti-poverty and training funds, and the traditional public agencies, the Massachusetts Division of Employment Security (MDES) and the Boston School Department (BSD). There were other important actors and agencies, but the evolving drama of the sixties and early seventies was dominated by ABCD's challenge and the halting response of its two major antagonists, spurred at critical times by a not always decisive federal government.

The first training programs were those organized under the Manpower Development and Training Act (MDTA), not originally designed to help the

Table 3. Boston Consumers' Price Index, 1967=100

	January	April	July	October	Annual Average	Percent Change, in Annual Average
1970	113.6	115.1	116.4	119.4	116.7	
1971	120.7	121.6	122.7	124.3	122.7	5.1
72	124.8	126.2	127.0	128.9	127.1	3.6
73	129.7	132.4	134.1	138.7	134.7	6.0
74	142.0	145.2	149.7	153.0	148.7	3.9
75	156.4	159.0	163.0	184.8	162.1	9.0
76	171.9	172.5	175.3	176.1	174.5	7.6
77	179.4	182.1				

poverty-stricken disadvantaged, and referred to as MDTA institutional training. This training reigned as the dominant program until about 1966, when funds were siphoned off for the Concentrated Empl[illegible]t Program (CEP) and for incentives to employers to hire the disadvantaged (NAB/[illegible]OBS).

Although MDTA funding first became available in the late summer of 1962, the first MDTA institutional course did not begin in Boston until early the following year. The delay was attributed to the cautious behavior of the decision-makers in the MDES, the Massachusetts Department of Education (MDE), and the BSD. A conservative MDES staff found it difficult to accept training as a goal, perhaps because this reversed DES' accustomed role of referring applicants already equipped to meet employers' hiring specifications. The BSD, in turn, was alleged to be dominated by tradition-bound personnel who held narrow views of the role and scope of education and who denigrated occupational training. Vocational educators in the MDE were unwilling or unable to bypass local school authorities or pressure them to respond more appropriately to the MDTA.

By 1965 ABCD had begun to fill a labor market void by combatting unemployment among disadvantaged youth in inner city areas left by the unaggressiveness of MDES and state and local educators. In 1966 ABCD installed in poverty areas

Neighborhood Employment Centers (NEC's) that were to provide a "comprehensive system of referral" and other "employment services" for ghetto residents.

CEP was introduced nationally in the spring of 1967 with the purposes of concentrating limited MDTA and Economic Opportunity Act (EOA) funds on a few target areas in order to have an identifiable impact, of involving private employers in hiring the disadvantaged, and of centralizing local administration to coordinate existing programs in target areas. ABCD became Boston's CEP sponsor, and a unique feature of this CEP was its Orientation Centers (OCs). These centers provided 15 weeks "orientation" courses all but two of which were actually entry level skill training.

Boston was one of the 50 cities to whose private employers President Lyndon B. Johnson appealed in January 1968 to employ 500,000 hard-core unemployed over the next 3 1/2 years. The National Alliance of Businessmen (NAB) was organized to implement the goal. The President also proposed using Federal funds to support businesses participating in the program, called Job Opportunities in the Business Sector (JOBS). The contract phase of NAB-JOBS began in Boston early in 1968, and by mid-1970, 60 JOBS contracts had been awarded, providing about 2000 slots to be filled over a three-year period.

On paper Boston's Work Incentive Program (WIN) began in August 1968, but it was not until mid-winter that the MDES' WIN teams began processing substantial numbers of Welfare Department referrals. An adequate number of appropriate referrals was a chronic problem, because of heavy social worker case loads and dependence on voluntary participants. The 1971 Talmadge amendments to the Social Security Act led to a turnabout in the philosophy, operating practices and structure of Boston's WIN, and this reversal began in October 1972 with a freeze on institutional enrollments. The number of successful completions in FY 1973 was small: 641 of the cumulative total of 2832 participants had been placed in unsubsidized jobs, nearly half directly, without any intervening training; most of the others had been placed after institutional training, and only 18 after OJT.

The Public Employment Program (PEP) began its recruiting in Boston in September 1971, and by the start of 1972 the city had hired 424 persons for its 569 slots. Approximately 7,000 people applied for the 569 slots. Of the total number of 978 EEA hires, about 38 percent still remained to be placed on permanent jobs as of November 1973. The employment prospects were dimmed by high unemployment and the City's stringent budget.

The Planning and Administration Process

The Cooperative Area Manpower Planning System (CAMPS) was instituted in March 1967, as a joint effort of various federal agencies to reduce the problems of duplication, overlap and fragmentation in the employment and training area. The original CAMPS committee for the Boston SMSA was too unwieldy a body to accomplish any of the planning agency's goals, and by the fall of 1968 it agreed to decentralize by creating several geographic subcommittees, one of which was for the City of Boston. Ten organizations with interests in employment and training programs in Boston were chosen for membership on the Boston subcommittee. Individual subcommittees developed staffs to deal with the technical issues of planning and evaluation.

The basic weakness of CAMPS in this early period was its lack of authority to allocate funds among program sponsors. There were no definitive rules about the organizations eligible for representation on CAMPS, and no rules on voting rights. It operated by consensus, although there were few instances when a vote would have had any practical meaning.

The Boston CAMPS subcommittee underwent a series of changes during 1971, and the result was a newly constituted body designated as the Boston Manpower Area Planning Council (BMPAC). A series of subcommittees were created, each responsible for reviewing in depth the proposals of sponsors for specific target groups in the disadvantaged population and making recommendations for the consideration of the BMAPC as a whole. The BMAPC also created a Labor Market Advisory Council (LMAC), in conformance with the 1971 Talmadge Amendments to the Social Security Act, to provide labor market information for the administrators of the WIN program.

The Transition

By administrative action the Department of Labor began the process of decentralization and decategorization in 1973, and the FY 1974 became a transitional year. The Comprehensive Employment and Training Act legislated the decentralization and decategorization, and FY 1975 was the first full year of CETA.

This current research is an effort to determine whether, at least in the transitional period, the decentralization and decategorization of employment and training programs have improved the administration of the programs and the delivery systems.

II

THE TRANSITION PERIOD -- TITLE I

The goals of CETA were the decentralization and decategorization of employment and training programs, to be attained by giving local authorities, within prescribed limits, the right to decide which groups should be served and in what fashion. The rationale behind decentralization and decategorization was the belief that the programs would better reflect local needs, and could be better coordinated and more effectively administered. It was felt that local elected officials would be more aware of, and more responsive to, local needs and local economic conditions and hence better able to devise programs to accommodate these needs. Local control also would permit the participation of community interests, previously mandated by the Economic Opportunity Act.

In Boston, decentralization meant centralization and coordination by the prime sponsor, represented by the Boston Manpower Administration (BMA), whose function is to administer Title I activities. Initially Title I was given nearly all the attention of the BMA, because the prior experience of its staff had been with activities encompassed by Title I, and because it did not have responsibility for the PEP. The PEP administration had been assigned automatically to an office directly linked with that of the Mayor; this office essentially was a continuation of the one maintained for the PSE. In Boston, national programs under Title III were represented only by a youth demonstration project under the auspices of the Boys Club of America.[1]

Pre-CETA Employment and Training Structure

To a substantial degree, program decentralization and integration has existed in Boston since the mid-1960's in the form of the CEP, administered by ABCD, which was and still is, the dominant manpower institution in Boston. The BMA, in effect, was building, even before the passage of CETA, on an already existing administrative foundation. The Manpower Administrator of the city had been associated with community action agencies, reflected their philosophy, and had directed CEP for a time.

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1. After CETA, in 1976, the initiative of BMA staff members was responsible for obtaining national or regional funding for three demonstration projects of some significance: (1) an evaluation model to be replicated by other prime sponsors in the region; (2) a WIN/CETA partnership to train out-of-school 16 to 18-year olds in AFCD families; and (3) a YWCA project to train females for traditional male occupations, chiefly the trades.

The CAMPS had existed here as elsewhere, but was not an effective planning or decision-making group, because it was not part of the funding process. A Department of Labor (DOL) grant had funded a manpower staff in the Mayor's office to assist CAMPS. This staff became the secretariat of the MAPC when it became responsible for the administrative decentralization mandated by the DOL in FY 1973. By then the MAPC had established four subcommittees. The reliance on subcommittees was continued and expanded under the advisory council established under CETA.

During the evolution of the current advisory council, the geographic scope of the Boston planning area was narrowed. Originally under CAMPS, it had included the entire Standard Metropolitan Statistical Area (SMSA); but by 1971/72, the chairman of CAMPS explicitly restricted his activities, and in effect that of CAMPS, to Boston programs. Under the 1973 pre-CETA administrative decentralization, the then MAPC was expanded to include four adjacent communities, none of which were included when the Boston MAPC was reconstructed under CETA. The parting was voluntary. The City of Boston had seen no particular advantage in continuing this relationship and possibly some problems dealing with independent communities. The former members felt new geographic alignments would enhance their ability to obtain funding. This reformulation did not mirror the interdependence or economic realities of the local labor market, but rather traditional parochialism and short run political advantages. For many years, suburban communities have taken the attitude that they do not want to add Boston's burdens to their shoulders.

The MAPC subcommittees, prior to CETA, had reviewed proposals from agencies regarding programs to serve members of the disadvantage population, and had made recommendations to the MAPC. The four subcommittees were: (1) the IMAC, required by the 1971 Talmadge Amendment to the Social Security Act, with a jurisdiction confined to the WIN; (2) the Hispanic subcommittee, responsible for English-as-a-Second Language (ESL) programs; (3) the MDTA subcommittee, responsible for adult institutional training and work experience programs; and (4) the Youth subcommittee, responsible for work experience programs for in-school and out-of-school youth.

Decentralization, but not decategorization also had occurred under the 1971 Emergency Employment Act (EEA), when Boston's city administration received the money, hired the trainees and provided the jobs, without any link to the evolving MAPC or manpower programs conducted under the MDTA or the EOA.

As noted, the city still has (as of Spring 1977) two, not one, manpower offices.[1] The BMA, under the City's Office of Commerce and Manpower is responsible for Title I programs but conducts none itself. Another office (known as the "CETA" office) in the City Administration had operated the PEP, and fell heir to CETA's Title II and VI activities. On paper, PEP fell within the jurisdiction of the BMA and with enactment of CETA, PSE as well, but in practice PEP was operated independently by the "CETA" office with little if any BMA direction. The initial administration of PSE followed a similar course, although later modified to some extent. Hiring clearance for PEP was exercised by the Mayor's Office of Personnel, not uncommonly referred to as the Mayor's "patronage" office.

During 1974, the relationship between the "CETA" office and the office of Commerce and Manpower was never clearly defined. Commerce and Manpower may have been responsible theoretically for PEP, and later for Title II, but had no clear line of authority over either. The relationship was ambiguous and became even more so when the City's Office of Program Management and Evaluation (OPME) began to give direction to,but with no apparent line of authority, over PSE. This ambiguity was erased within several months when it became known that OPME, as an in-house consultant, was temporarily directing the "CETA" office, in order to meet serious DOL criticism of its operations. After reorganizing and restaffing the office, OPME withdrew. By 1976 the "CETA" office was on its own. Despite the earlier confusion and the divided authority, there was collaboration between the BMA and the OPME "CETA" office, and functional links have been slowly forged between Title I programs and PSE.[2]

What effect, if any, did CETA have on the city's manpower objectives? The Act itself speaks in broad terms, giving prime sponsors latitude to decide goals and priorities.

Goals of CETA

The objectives stated in the City's Annual Plans were broad and not very specific. They were much like those of pre-CETA days; i.e., to improve the employability of the poor and disadvantaged, and to develop jobs for these persons. These goals stirred little debate. The BMA expressed them in the following terms in its FY 1974 grant application (page 8):

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1. A division that is supposed to be ended in 1977 by physically integrating the staffs of both offices under one roof.

2. However, without Federal regulations and DOL direction the planned administrative joining of the two offices and the slowly evolving program links might not have occurred.

"Mayor Kevin H. White, through the Boston Manpower Area Planning Council, will direct local efforts toward assisting the poorer residents of the MAPC in developing education and skills to enable them to find meaningful employment. Manpower monies would be used with other resources to increase the income and employability of the urban poor, to expand employment opportunities, and to create a skilled labor force to meet the needs of local industries. Specifically, manpower planning must be concerned with the entire range of economic and educational issues which affect the earnings and employability of Boston area residents..."

The FY 1975 and 1976 grant applications used much the same language. Such academic niceties as displacement effects, the nature of the expected gain in employability, the amount, or its duration went unaddressed.

Specific goals have to be gleaned from the performance standards developed for the different programs funded by the BMA. Two criteria have predominated. One has been the maintenance of enrollment levels at 90 percent, so that slots would not remain empty, stipend monies left unspent, and people not helped who could have been. For all but in-school youth, the second criterion has been placement in an unsubsidized job, at a wage above a specified level or levels. The focus has been short term. Being hired and working one day constitutes a job placement. (It must occur within 60 days after leaving a program and counts irrespective whether the person or the program found the job.)

There were no publicly debated and adopted performance standards before FY 1975. The first opportunity for advisory council consideration of performance standards was associated with FY 1975 planning. The FY 1974 plan had incorporated standards in pre-CETA agency contracts (after BMA consultation with regional DOL staff). The standards adopted for FY 1975 were softened versions of the 1974 ones. The FY 1975 standards were based on a combination of actual accomplishment and considerations of feasibility, and permitted modification if warranted by poor labor market conditions. Nonetheless, the BMA would like to tighten standards to spur program improvement.

Reliance on job placements as a standard was a carryover from pre-CETA days. The agencies lost no opportunity to state their conviction that "Washington" disbursed manpower chiefly on this basis before CETA. Worried about the future intentions of the DOL and the Congress, the agencies maintained that FY 1976 pre-CETA retention measures based on 3-month and 6-month follow-ups were not part of the official performance standards. Although incorporated in BMA contracts with the agencies for internal use by BMA staff only, Advisory Council Committees did not use retention rates in evaluating programs in FY 1975 or FY 1976 planning.

However, the BMA has let contracts in 1975, 1976, and 1977 to follow up Title I trainees, at first only terminees of skilled training programs but broadened in the second and third years to cover most programs. In addition, careful evaluation studies have been conducted by the BMA of the City's last three Summer Program for Economically Disadvantaged Youth (SPEDY) and another will be conducted of its 1977 one.

There has been only a slight shift in favor of other, possibly more appropriate, standards. In 1976, for example, as a result of agency and committee initiative, the predominance of job placements for out-of-school youth programs was modified by giving more weight to other desirable goals, such as returning to school full-time. More importantly, in FY 1977 the BMA introduced standards incorporating retention; that is, continuity of employment. The FY 1977 grant application included a 90 percent retention rate for 30 days for most programs. Some thought was given to including wage gains in standards, but sketchy and dubious pre-CETA earnings data have ruled that idea out. The dominant agencies, however, have clung to the excessively short run standard of job placement at a reasonable wage, especially for adult programs. So far performance standards have not been used sysematically in planning, although such a use is contemplated for the FY 1978 Plan.[1] As late as 1976, there were insufficient data and enough doubts about their reliability to rely on attainment of performance standards to decide funding cuts. At fault was the inability of the BMA to develop an internal information system capable of providing the data needed to monitor and evaluate programs.

Use in planning of the findings of the longitudinal follow-up surveys has been modest. Follow-up information has served to verify agency data and apparently helped the BMA staff to make recommendations for FY 1977 program reductions and to recommend FY 1977 contracts. The survey also will be used in FY 1978 planning. However, the relatively small number of completed interviews per program makes for absolutely large standard errors, except for a few large programs.

The evaluations of SPEDY have contributed to better staff and agency understanding of the variety of program benefits to different youth and have enabled operators to distinguish between favorable and unfavorable sites. However, details of the evaluations have not been provided to the Advisory Council or its

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1. However, standards have been used by the staff as a basis for corrective action, as well as for the preparation of recommendations to committees about contractor proposals.

committee for council members to make independent judgments.

The BMA and Advisory Council had no reservations that Title I was for the poor, for the economically disadvantaged whether unemployed,under-employed, or not. Minority group members, especially those with erratic work histories and limited educations continued to be prime clientele. In contrast, pre-CETA MDTA programs could have trained minority group members who were not economically disadvantaged and, of course, MDTA programs were not limited to residents of the City of Boston.

The decision about which groups among the disadvantaged were to be served was based on a detailed analysis of the "universe of need;" the designated groups were much like those receiving manpower services before CETA. There were a few shifts in emphasis, however. With CETA, Boston gave greater attention to drug addicts, and ex-offenders, and possibly less to in-school youth, although these modest redirections were not made immediately or simultaneously. Later, under advocacy pressures, women's interests received greater emphasis, as did minority groups other than Black.

METAC: Structure and Role

The CETA 23-member (as of mid-1976) advisory council, renamed the Mayor's Employment and Training Advisory Council (METAC),[1] currently has a substructure of 13 committees (formerly called subcommittees) responsible for different functional areas; in contrast the MAPC had just four initially. Committee chairpersons are METAC members, but other committee members need not be and often are not. Committee members are drawn from agencies with manpower programs, and from other organizations, public and private, in related fields, or are individuals with pertinent experience or technical knowledge. The METAC and its committees meet monthly and more frequently during the hectic one or two months prior to the submission of the grant application or when critical issues arise. All meetings are open to the public. Assigned to each committee is a BMA staff member.

The organizations and individuals on the METAC still reflect the basic orientation of the pre-CETA MAPC. Its members were chose by BMA officials in consultation with key agencies, to reflect their mutual philosophy of community participation and advocacy. The council was conceived as a shield, or buffer, against city officials unacquainted with, or unsympathetic to, the nature and

1. From the pre-CETA indentification of MAPC

objectives of the manpower programs created in the 1960's to fight the war against poverty. The decision to serve only the economically disadvantaged, which has been reiterated repeatedly, is a product of the proponents of this philosophy on the advisory council.

In addition to ten METAC Standing Committees (see Table 1.) with mixed membership, there also are a Membership and Rules Committee, composed only of METAC members, and a Steering Committee, composed of the chairpersons of the Standing Committees. Most of the Committees do more than oversee specific functions or programs. They also are advocates for unique elements of the economically disadvantaged, as for example, the Youth Affairs Committee, the Ethnic Linguistics Minorities Committee, the Substance Abuse Committee or the Women's Committees. Only the Employment Service, and Job Training Committees approach the strictly functional in their concerns.

The committee structure of the METAC evolved as new groups and needs arose but it evolved without explicit consideration of the appropriate membership. It was natural that groups with a direct interest in specific manpower programs would become members. Since FY 1974, the number of committees has grown from four (under MAPC) to the current thirteen, indicative of the expansion in the number of priority groups being served, and of their involvement in the process. The increase in committees is a measure of the responsiveness of the BMA and METAC to local needs.

The composition or size of the committees had never been explicitly specified. This issue had caused uneasiness for some time and came to a head when a proposal submitted by an agency which was not a committee member, was rejected in favor of a proposal of an agency which was a voting member and which voted on its own proposal. The rejected agency raised the question from the floor during a regular open METAC meeting. It is to the credit of the process that the METAC structure permitted this criticism to be voiced, accepted it, and developed guidelines that reduced the influence of agencies on committees and established maximum sizes. Nonetheless, METAC receptivity was in anticipation of imminent changes in DOL regulations that required a restructuring of committee membership.

Table 1 lists committee members by sector affiliation: government, business, including both profit and nonprofit, program operators, clients, technical resource people, and union. The new membership rules required that no sector could comprise more than one-third of a committee and that no agency with a CETA-funded program could have more than one voting member. Furthermore, members of

TABLE 1 - Affiliation of Members of METAC Committees, Boston 1976[a]

Committee	Number of Committee Members	Member's Affiliation (percentage)									
		Government		Business	Program Operator		Client		Technical Resource	Union	Other
		City	State		Funded by BMA	Not funded by BMA	participants	non-participants			
1. Job Training	5	0	2*	0	5*	0	0	0	0	0	0
2. Ethnic/Linguistic Minorities	13	1	1*	0	5*	2*	0	1*	2	0	0
3. Employment Services	10	0	1	3	5	1	0	0	0	0	0
4. Youth	13	3	2	0	6	0	1	0	1	0	0
5. Substance Abuse	10	1	0	0	1*	3*	1	0	5*	0	0
6. Older Workers	14	3	2	1*	2*	5	0	2	1*	0	0
7. Offenders	16	2	2	0	4	2	0	4*	1	0	0
8. Labor Market Advisory	12	1*	2	3	1	0	0	0	1	2*	4*
9. Women's[b]	20	4	1	0	2	4	0	1	7	0	1
10. EEO[b]	8	1	1	2	0	0	2	0	0	0	1

a. Omit PSE, membership and rules, and Steering Committees.

b. Women's Committee and EEO Committee each have one representative of a federal agency each.

*Member allocated to more than one category. If a committee member had more than one affiliation, the member was assigned to each.

agencies which submitted proposals could not vote on them; however, they could participate in the discussions.

The Planning Process

At one time the Steering Committee and the METAC but now only the METAC recomend the basic allocation of funds and priorities, which constitute the annual planning strategy. The individual committees deal with their programs or interests within this framework.

Once an official estimate of the City's Title I allocation for the forthcoming fiscal year becomes known, the planning process begins with the preparation by a staff task force of an annual planning strategy. The latter is presented, along with the staff's justification to the committees for their recommendation to the full METAC. The planning strategy distribute next year's funds by type of program or service, such as institutional skill training, or assessment, and among broad client categories, such as youth or adults, as well as among specific segments, such as ex-offenders. The strategy, of course, can be predisposed towards the existing program and agency mix.

After the METAC has adopted an annual strategy, the staff task force, guided by criteria which the committees have helped devise, examines proposals submitted by the agencies. Next the task force's recommendations about proposals are reviewed by the appropriate committees for their recommendation to the METAC. Committees will also review performance standards recommended by the staff, again passing them on to the METAC for its acceptance. The METAC's recommendations then go to the Mayor for his acceptance. These recommendations constitute the major components of the specific contracts negotiated between the BMA and program operators. Here the Committees, if they choose can also play an active role, although they seldom have.

During the fiscal year, major contract modifications follow the same route. In addition with METAC approval, new contracts for new programs can be initiated by Committees, who recommend the issuance of Requests-for-Proposals (RFP's) along with committee developed and approved criteria.

The METAC recommendation to the Mayor can be influenced by the City Council, because it must accept any Federal funds coming in to the City, as well as approve their use. The Council thus can refuse to approve the Plan, which comes to it from the Mayor, if the Council has its own views about specific programs or agencies. The Council cannot increase a program's funds but it can delete them.

Last year, for example, the Council refused to approve the plan unless a controversial program to place minorities in construction jobs was dropped.[1]

The major issues, then, to which the committees have confined themselves have been the development of performance standards (done in Spring 1975), the review and approval of specific proposals by contracting agencies, and the review and approval of those parts of the grant application within a committee's sphere of interest. The committees so far have received only limited information on an erratic basis about the staff's evaluating and monitoring activities. As a result, committee involvement here has been slight. There has been no regular, systematic reports to committees showing the number of individuals served by programs, the results, and the money expended, nor of the extent to which agencies have met performance standards.[2]

This information gap is the result of the difficulties the BMA has had in establishing a Management Information System (MIS), in part because of political and organizational constraints. In addition, the growth in the number of committees and the large number of METAC and committee members have made the timely dissemination of information extremely difficult. Committee members have been forced to make decisions without adequate information, because of the late arrival of important documents and lack of time to study them. Information is basic to the participatory process if it is to contribute to the success of decentralization and decategorization.

Despite the openness of the advisory system, and the involvement of a large number of agencies and individuals in a vigorous participatory process, the question still needs to be answered whether the additional costs of each member's time and energy and the additional costs of administration have led to corresponding benefits to the planning process itself and to the mix and quality of services? It is difficult to say whether there has been an overall improvement in the quality and effectiveness of programs. Nonetheless, gains have resulted in

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1. The prime sponsor was able to maintain the program by funding it out of unspent funds from the prior fiscal year.

2. However performance standards have been used regularly by the staff to prepare recommendations about program proposals submitted by agencies. These background analyses have never been released to the committees or METAC. Performance standards also have been used by the staff to help programs improve their performance. A notably successful corrective action followed a special examination in 1975 of skill training programs using agency records of placements and placement wages.

the form of improvements in specific programs (such as skill training following a special staff study that led to corrective action). Moreover, members of the METAC and its committee substructure accelerated development of both the MIS and the evaluation system by constant criticisms in open meetings of the dearth of information for sound decision-making. The BMA staff was extremely sensitive to the frequency and frankness of these comments. They proved increasingly embarrassing.

The time and energy devoted to participatory decision-making has not yet led to significant changes in terms of innovativeness or local adaptability, the key justifications of CETA. Still, the system was able to incorporate three rather successful youth programs (one a national demonstration project). New agencies represented by new groups were the vehicles for innovation. Their entry nationally caused conflict, because they became rivals for funds and had the potential of becoming articulate spokesmen for the same (or similar) clients. Moreover, the pooling of agency experience and wisdom has led to improved technical and operational decisions and possibly to better planning and policy decisions. Beneficial changes in existing programs have occurred, but these have not been widespread nor substantial.

On the other hand, the intrusion of local political considerations in the recommendation of specific activities and agencies could have weakened the system as a source of help to disadvantage minority groups, because of a lack of political organization and relatively few votes compared to other groups. This has happened just once and then temporarily.[1] Most of the conflict has occurred among disadvantaged groups, including minorities, contending for a shrinking pot of money. The system potentially has become more vulnerable to local pressures to divert manpower funds to uses of dubious merit, questionable, that is, if the criterion is one of raising the employability of the chronically poor. Overall, then, there has been no deterioration in services and some gains in their quality, with potential for more.

The METAC also was designed to make an independent contribution as a system of checks and balances to protect the legitimate interests of different groups and to insure an equitable distribution of CETA resources. Over the longer run, such a system was likely to prevent domination by any one interest, a goal of special importance where many diverse groups have great needs but the resources to meet them are scanty.

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1. When the City Council refusal to agree to the inclusion of a minority hiring program in construction in the FY 1977 plan.

An open decision-making process probably was needed to protect politically weak and vulnerable community agencies and their economically disadvantaged clients, as well as to prevent the use of programs for the political advantage of city officials. The METAC's predecessor, the pre-CETA MAPC, was fashioned as such a safeguard. The METAC perpetuated this role. The METAC's openness, accessibility, and composition, including the substantial agency representation, were intentional. They were to minimize the chance of secret, politically dominated decisions inimical to the interests of existing community based agencies serving the poor. The decision to restrict the prime sponsorship to the City, rather than include the other communities covered by the MAPC, had a similar purpose. It was feared that these, two of which were relatively affluent, would object to a policy of serving only the economically disadvantaged. It also was questionable whether one and possibly a second community were part of Boston's labor market, as defined by commuting possibilities.

The deliberately nurtured openness and accessibility of the METAC was responsible in an important way for the evolution of a more cooperative relationship between the agencies and the BMA, after an initial year or longer of acrimony and distrust that contributed to the BMA's administrative failings. The METAC offered a forum in which serious concerns could be aired, particularly by community agencies most endangered by the pending cuts in Title I allocations.

The refusal of the BMA to disproportionately reduce any single agency and the METAC's adoption, despite the BMA's opposition, of a local "hold-harmless" formula, also played important roles. But both were products of the council and its process. The METAC was a visible symbol that Title I programs belonged to the city's poor and their agencies. Representatives of these agencies had helped design the Council and had significant roles in its decision-making process. The METAC structure precluded City Hall domination of the process, even if it had so desired, and precluded the possibility of political encroachment upon, or even the absorption of, agencies and their programs.

The fact that some decisions had to be privately negotiated does not vitiate this conclusion. Such decisions came to the METAC for its approval, and if they had not, could have been appealed to it. One weakness of the METAC, of course, was the difficulty outside agencies had penetrating the system. Yet they did, and probably will continue to do so.

BMA: Internal Organization and Functions

The comparatively low priority given by the Mayor to Title I activities has meant a lack of serious involvement and direction at this level. These programs have not been a critical concern to the Mayor for a number of possible reasons: the danger of white backlash, especially in an election year in which school integration was an important issue; the relatively small share that CETA Title I money is of the total city budget; and the seriousness of other municipal problems. The Mayor's office in effect has left the BMA considerable freedom to develop its own policies. Perhaps the inevitable consequences of establishing a new office, the BMA has been unable to escape a pattern of "crisis" management, and adopt a style of deliberate long-range planning and decision-making guided by explicit detailed goals.

The absence from the start of City Hall interest in Title I programs was an asset. Left to develop unimpeded was the participatory process and its inclusion of agencies and groups representing the disadvantaged that assured continuation of programs already serving them. The existence of the Council in turn greatly reduced the likelihood of City Hall efforts to impose its views on Title I activities (but not, as noted below on the BMA's freedom to hire, fire, and reward its staff).

Not unlike other prime sponsors, the BMA subcontracts the city's Title I employment and training programs, making the BMA strictly an administrative body. It also subcontracts some of its administrative functions. Monitoring of youth programs has been assigned to the City's Youth Activities Commission, and follow-up to a private non-profit institution. Nonetheless, the responsibilities of the BMA are vast. The employment and training network in Boston is complex. There are many diverse interest groups, and many rivalries among program operators and among client groups. There are also conflicts between the BMA and other public bodies. The intensity of the conflicts and rivalries have softened considerably since the first year or more of the CETA as agencies recognized that they were not going to be destroyed and as they acquired a meaningful voice in the decision-making process.

The staff of the BMA needed the managerial skills, sensitivities, and personalities to accommodate these competing interests, as well as considerable understanding of manpower programs. Many of the original staff lacked these critical qualifications. Staff quality and dedication were mixed. In some cases, high calibre people were obtained and remained part of the staff; in

other cases, potentially able people did not perform satisfactorily because of a lack of commitment, or left by the time they had become experienced for more permnent employment or for advancement. Turnover, especially in the first two years, has been high, making it difficult to establish a well-integrated, coordinated organization. The staff's lack of civil service status had its toll. Furthermore, the Manpower Administration was not helped by inheriting a staff with conflicting loyalties because a top administrator remained employed at the BMA after being superseded.

The background of the staff has remained diverse in terms of education and experience. The two top officials have spent many years as administrators of manpower programs, both rising from relatively low positions in community action agencies that are now important contractors. Key staff personnel have an understanding of manpower programs and of local political realities, but lack the same grasp of administrative personnel practices. In contrast, many of the other staff have had some manpower experience, but in limited spheres. Few have had professional training in manpower or economics, and none have had formal training in personnel management and in administration, nor in statistics and evaluation techniques.

The political nature of city employment has not let the BMA have enough freedom to hire whom it wants on a merit basis, nor has it been free to remove staff members for poor performance. There has been inefficiency and inaccuracy in the work of the BMA staff who act as liaisons between the BMA and agencies, and who provide crucial information to the METAC committees. It is not always clear whether these deficiencies are due to inadequate internal communication or due to the personal qualifications and motivation of some of the liaisons. Despite the political constraints on BMA administrators, over time staff effectiveness has improved, exceptionally able people have been hired, and on balance the calibre of the BMA staff now probably is the same as that of the Regional ETA.

Boston was not prepared to assume its prime sponsorship until October 1974, the beginning of the second quarter of FY 1975. During the first quarter the DOL had to directly fund contractors. The BMA expended considerable effort in the first fiscal year to establishing a viable organization despite the existence of a planning staff for over a year. The first year also was a trial period in which the authority of the BMA and METAC was tested by the agencies. Existing contractors, especially community agencies, were highly

suspicious of the City's intent, anxious about its political intrusion, and dismayed about inevitable funding cuts under the Title I allocation formula. The agencies saw their survival threatened.

At the same time the BMA's authority over the agencies was seriously compromised by the lack of a reliable MIS and by staffing problems. The BMA had to share control over hiring decisions and was hurt by the turnover, which was in part a direct consequence of the former constraint. Agency distrust and the BMA's information hiatus precluded a rational choice of agencies and programs; planning was administratively impossible. Deteriorating economic conditions in the area, which impeded chances of meeting program goals exacerbated the problem, making agencies even more reluctant to cooperate in developing an MIS, having no firm commitment that their data would not be turned against them. The fact that the goal of the initial MIS effort seemed to be one of identifying ineligible enrollees confirmed agency fears. A serious irritant was the known hostility of a few of the BMA staff toward certain agencies whose performance was thought to be poor, their program data unreliable, and their administrative expenses excessive.

Role of the Regional ETA

During the transition period, unfortunately, the regional ETA had to reduce and reassign its staff; it probably could not have undertaken as assertative an advisory role as it would have liked. To the BMA, the regional office seemed less an initiator of action than a reactor to problems of prime sponsors. From the viewpoint of prime sponsor, the regional office did not provide help when it was sought at critical junctions, so that problems intensified and became sources of censure and embarrassment. In some cases, the regional office may have been unable to provide prompt, clear cut answers because of national office indecision. However, BMA people thought there was too few regional staff assigned to Boston, and too little continuity in those assigned, reasons enough for communication delays. In addition, older, experienced members of the BMA considered some of the regional office representatives assigned to Boston as young, and without enough familiarity with local manpower complexities and without enough decision-making authority to be helpful in resolving politically sensitive issues. These attitudes led to resentment reflected, for example, in a conspicuous absence of BMA personnel from (or erratic attendance at) training sessions conducted by the regional office's Manpower Training Institute (MTI). In turn, this apparent indifference persuaded the regional office that

the BMA did not want help, and contributed to a mutual questioning of motives. Regional office staff are convinced that better attendance of BMA personnel at these meetings would have enabled the BMA to avoid a number of administrative pitfalls, including the failure to establish a satisfactory financial management system (FMS).

The CETA PSE staff felt even more keenly about what they considered a lack of initiative on the part of the regional DOL. They felt that if it had been less passive, some of the serious problems later encountered over eligibility and other alleged infractions of regulations could have been prevented. They bemoaned the indecision, delays and ex-post facto changes in regulations and in their interpretation. It is difficult to reconcile their complaints with the fact that the regional office earlier had criticized the City's administration of PEP in a formal report and was alert to prevent similar problems with PSE. However, by then there probably was enough mutual suspicion regarding motives to hinder a constructive collaboration.

Probably more fundamental was that the help sought by the BMA was not strictly technical or even interpretative. Caught between the needs (and early fears) of its contractors, the BMA needed help in resolving conflicting political pressures that was administratively impossible for the ETA to render. Moreover, the BMA's initial perception was that the regional office's role was to help the prime sponsor achieve its goals, if it sought help, but otherwise not to intefere. The City's PSE staff shared these views. But they also were caught between antithetical pressures, the expectation of a City administration in an election year, and Federal regulations calling for impartial access to publicly funded jobs.

Contrary to the BMA's perception, from an outsider's perspective, the calibre, candor and cooperativeness of the regional DOL staff assigned to Boston has been impressive. In general, these personnel have been knowledgeable, hard-working, not insensitive to local political and organizational nuances, objective, but not rigid. However, they have been spread thin, and have found few chances to visit agencies. They may also have been handicapped by the inability of the BMA to quickly develop an internal information system. The information has been available in organized form in the agencies but has remained inaccessible for systematic and continuous monitoring and evaluation by the BMA and for the preparation of reports needed by the regional office.[1]

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1. A single source of most manpower funds in an area has simplified the research task of gathering data.

In the first year of CETA, there were two regional liaisons with the prime sponsor. Both individuals had been assigned to Boston during the pre-CETA period of categorical programs and had helped usher in CETA. Neither was inexperienced or unacquainted with Boston's problems. However, by the second year there was only one liaison. By the third year, this individual had left and had been replaced by a person with considerable experience but in another area.

Regional ETA representatives worked closely with Boston in helping implement CETA. Short of doing the task themselves, it is difficult to see how they could have done more. Their counsel about a variety of issues helped the BMA resolve its funding dilemmas. However, the regional staff, despite technical advice and constant urging, were unable to speed early development of two essential administrative tools. The sparse content of the quarterly reports required by the DOL might have misled the BMA, and possibly even the regional offices, about the priority to be given to developing these tools.

Admittedly the regional staff were unable to devote as much time as it would have liked to personal contacts and on-site visits. Changes in congressional funding during the first fiscal year required modifications frequently enough to divert a substantial proportion of the time from field work to processing paper flow. In addition, staff time had to be shifted from Title I issues to investigate charges levied against the City's PSE program.

Nonetheless, the regional ETA was instrumental in establishing a FMS in the BMA, in forcing development of MIS, and in the BMA's implementing of affirmative action procedures. The regional office also was critical in speeding reform of the administration of PSE.

The BMA had to react when the DOL rated the performance of the Boston prime sponsor as unsatisfactory in FY 1976 because of inadequate financial reporting.[1] An acceptable FMS was installed by a regional ETA fiscal expert on temporary loan to the BMA. Furthermore, if it had not been for constant pressure from the regional office, the development first of a manual and then of an automated MIS might have been delayed even further. (The automated system still has a few lingering problems to solve before it becomes fully operative.) The establishment of an EEO committee of the METAC and the appointment of an affirmative

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1. Only 20 other prime sponsors including Massachusetts Balance of State, out of the nation's total of 431, were rated unsatisfactory. Ten of the 21 unsatisfactory prime sponsors were in the three states of New York, New Jersey and Indiana, and ten were older cities, or included older cities, with substantial urban decay. Only 6 of the 21 were not in East Coast States or Puerto Rico, and only one was west of the Mississippi River. Differences in regional office application of Federal regulations might be involved.

action officer were the result of simultaneous pressure from both the DOL and the Women's Committee. These results, among other things, suggest the necessity of a continuing federal presence.

City manpower administrators contended that the Regional ETA failed to provide adequate technical assistance. It is difficult to measure adequacy, but the Regional DOL staff did make personal visits to the BMA, and the regional office also conducted one-day and two-day training sessions in a wide range of subjects and at varying degrees of depth for Region I prime sponsor staff and advisory council members. According to the Regional DOL, the reduction in its personnel and the inability to reallocate staff promptly because of civil service restrictions prompted the regional office to develop a group basis for providing technical aid through conferences and seminars. The initial emphasis was on monitoring and prime sponsor administration, not planning. There were some inherent but temporary limitations. Few of the ETA staff had conducted classes before; few had had formal classes in economics or in manpower. The staff of the prime sponsors varied widely in education, experience and knowledge of manpower affairs. Over time, teaching experience has been acquired, and methods devised to handle diverse groups with disparate backgrounds more effectively.

III

CETA FUNCTIONING IN BOSTON

Boston, under the MDTA, had established sophisticated agencies which administered a wide range of categorical programs. The two largest continued to be community based organizations. ABCD, the largest, is Boston's Community Action Agency, the other is OIC. The third large one was the former MDTA multiskill center operated by the Boston School Department (BSD). A fourth, Dimock Health Center, was an outgrowth of the controversy between the Black community and the multi-school center.

ABCD runs (1) a network of Neighborhood Employment Centers (NECs) mostly on Community Service Agency (CSA)[1] dollars; (2) short run institutional skill courses, (3) adult work experience programs, and New Careers; (4) basic educational classes, ESL classes, skill training, and work experience for out-of-school youth; (5) work experience for in-school youth; and (6) for the last few years, the City's summer youth program.

OIC principally offers institutional skill training, basic education and ESL classes for adults; one of its skill training courses is a feeder for an OJT consortium. Boston's OIC continues to be highly regarded locally by manpower specialists and by important business groups. The Boston School Department has been a power unto itself and the Mayor does not have direct authority over it, except that the city council can reject increases in the budget compared to last year. Dimock offers institutional training in a variety of health occupations, with referrals to private voluntary hospitals in the City.

The ABCD (and to some degree OIC) has political clout of uncertain dimension, because Blacks are not a numerically large force in Boston, nor well organized politically. ABCD has been prone to confrontation politics, which had been successful in past dealings with Washington.

Changes Under CETA

Under CETA, changes both major and minor, have occurred with respect to the roles of agencies, the kinds of programs offered, and the characteristics

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1. Formerly OEO dollars.

of the clientele served. These will be discussed in the following pages. However, the structure and priorities of Title I activities have remained essentially the same as they were just prior to CETA. Moreover, two of the three major changes were not the direct result of CETA. These two were the eventual abolition of the Skill Center and the declining role in the first two years at least of the Massachusetts Division of Employment Security (MDES). These changes were the result of either external pressures, the consequence of forces underway prior to CETA, or both.

As noted already, senior BMA staff were responsible for a number of critical policy decisions at an early stage in the period of administrative decentralization that preceded CETA. These decisions protected the status quo. The Manpower Administrator persuaded top city officials that employment and training programs should serve the poor, that the BMA should subcontract all programs to other agencies, operating none itself, and these should be the existing manpower organizations and activities. Perpetuation of the established system was dictated by necessity and its nature.

The City itself had no experience operating such programs, and the BMA would have been hard pressed to create, let alone justify, substitute agencies. CETA had legislated protection of agencies of "demonstrated effectiveness." Even if it had desired, the BMA had no data with which to challenge existing contractors on the grounds of performance.

Second, the existing system met senior staff preferences for a structure of decentralized, varied programs serving a variety of economically disadvantage groups. Like Boston's population itself, the poor were heterogeneous. In addition, the existing agencies and program had been expressly created to help the poor. Although an adverse political reaction from the community might have occurred if community based agencies had been dropped, the critical factors were the lack of realistic alternatives and the desirable purposes and characteristics of the established contractors.

One major change, the establishment of Assessment Centers, was initiated by the BMA itself. The Assessment Centers were designed to diagnose the manpower needs of clients, and to centralize and rationalize the referral process, as well as to develop links between agencies. It was also expected that the centralization of the assessment process would help control administrative costs. Finally the centers were essential to the BMA if it were to plan and control the intake and allocation of clients, because a large part of the existing intake system (the NEC network) was not financed by the BMA. Had the NEC's been under the complete control of the prime

sponsor they could have been rationalized and made the Assessment Centers unnecessary.

All the expectations for the Centers have not yet been met. Each of the two major community agencies has one or more of its own Centers, usually in distinctively ethnic neighborhoods inhibiting racially integrated use. These have tended to refer clients to the programs of the agency involved and few clients to the others. In some instances, enrollees have been pre-selected by programs and then routed through the Centers. Finally, some new innovative techniques have been installed but remain underutilized because Assessment Center staff have not always been taught to use them or have lacked the time to learn. The Centers have enabled the BMA to meet its central goal of controlling applicant flow, and possibly some of its cost minimization goals by consolidating assessment activities but not those interagency coordination and quality diagnosis.

The second major change was the declining role of the MDES. In the middle 1960's, a conflict, fired by the rhetoric of those days, arose between the emerging, aggressive ABCD, on the one hand, and the MDES and state and local school authorities, on the other hand. The latter were the traditional public agencies responsible for MDTA training and referral services. ABCD, seeing itself as the spokesman for the city's disadvantaged, charged that the MDES and the MDTA neglected those most in need of help. MDES offices and MDTA training sites were inaccessible to inner city residents, MDES and MDTA personnel were insensitive to the unique problems of the poor, and the programs maintained excessively stringent educational requirements that most disadvantaged applicants lacked. The MDES as a job referral agency was said to offer minorities only menial, poorly paying jobs. ABCD's justification for creating an inner-city chain of neighborhood employment centers was to give the disadvantaged access on their home grounds to decent jobs and to an integrated array of manpower programs.

In retrospect, the retreat of the MDES already had begun. The NECs in effect had taken over responsibility for providing MDES services to residents of poverty areas. In practice, a large proportion of these services were given by outstationed MDES personnel under subcontractual arrangements between ABCD and the MDES. The initial acrimony between the two agencies was replaced by a more cooperative, if sometimes uneasy relationship on the operating level well before CETA.

However, since CETA, the MDES withdrew even more from directly serving the disadvantaged and reverted to its original philosophy of meeting employer needs. The MDES continued to be responsible for making allowance payments to classroom program enrollees, but no longer administered OJT programs, was relieved from disbursing payments to employers with OJT contracts, and no longer had the role under the MDTA of referring applicants to programs or for selecting occupations for training. The DES presently plays a relatively small part in the recruitment and referral system for Title I manpower programs. In addition, and probably more important, the outstationing of staff in ABCD facilities steadily declined.

It is questionable whether the MDFS really objected to its reduced role. Its priorities had shifted. It was under pressure from the DOL to improve its placement record and to reduce costs; it was under pressure from a new State Administration to serve employers better. Finally the one training facility for which the MDES had referral and placement responsibilities was closed as a consequence of a court order over school desegregation. For its part, ABCD was not opposed to the MDES' withdrawal. Facing cuts in both its Community Service Agency and manpower funding, ABCD preferred to employ its own staff in positions it had subcontracted to the MDES.

The final major change was the effect of Federal District Court Judge Garrity's ruling with respect to Boston School desegregation on the Boston manpower delivery system. The Judge ruled that the school system had to provide vocational training on an integrated basis for school dropouts. It was left to the BSD and the City to decide how this was to be done. The decision was made (outside the regular Advisory Council process) to use the Skill Center as the training facility, with the money to operate it supplied by the Governor's special grant for Vocational Education ("CETA 112"). Since CETA funds were paying for the training, CETA funds had to provide stipends as well. The use of Title I stipend money meant that enrollees had to be eligible for Title I services, that is, in Boston the trainees had to be economically disadvantaged.

The major effect of the ruling would have transferred resources that had been devoted primarily to adults, a substantial proportion of whom were white, to youth whose racial composition was to be integrated. With the refusal of the State Division of Occupational Education to approve the use of the Skill Center without a change in administration, the court vacated its requirements

that out-of-school youth be trained. The result was that the Skill Center operated by the BSD had been eliminated when our field research ended. Alternative use of the CETA 112 resources released by the closing was arranged temporarily for the rest of FY 1976 in the form of purchase-of-services from private nonprofit, educational institutions and community agencies not previously used.[1] The sudden availability of the CETA 112 resources was used as an opportunity to experiment with new institutional arrangements for youth.

New Programs under CETA

During CETA's first fiscal year three new agencies, all with programs serving youth, were added, and two existing youth programs were expanded by incorporating distinctive projects. In addition, as just noted, the closing of the Skill Center in 1976, later permitted the BMA to temporarily refer Youth to semester length classes in secondary technical schools, such as Wenthworth Institute.

The three additions in the first year were Roxbury Tracking, the World-of-Work (WOW), and Rent-a-Kid; the enlarged programs were those for out-of-school youth and for in-school youth, both managed by ABCD. The addition to the out-of-school programs were entitled YAC-EDCO. YAC is the City's Youth Actitities Commission, and EDCO is Educative Collaborative, an alternative education project funded by private foundations and by the Department of Health, Education and Welfare (HEW). EDCO combined work experience with formal education leading to a high school diploma, which was not available from ABCD's out-of-school program. YAC, which was instrumental in initiating this change, and which arranged for the initial work sites in city departments, saw EDCO as a source of help for potential or actual school drop-outs and juvenile delinquents.

The addition to the in-school program was the Health Careers project in a prestigious private non-profit teaching hospital. The project sought to provide long-run career oriented work experience and education to in-school youth, instead of shorter-run, and largely, income maintenance jobs. Health Careers was to serve the same students until they graduated high school. Its

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1. CETA 112 resources will be used to help operate a training center being established by the City's Economic Development and Industrial Commission (EDIC) on land formerly part of the naval facilities closed down in 1974. The City hopes to develop a marine industrial part there. The training itself will be conducted by the educational institutions now providing purchase-of-services.

goals were to attract youngsters into the medical professions. The director of the program needed additional money. He tried to establish a relationship with ABCD, the in-school program manager, and pressed the issue with the METAC after being rebuffed by that agency. It was the METAC process that eventually led to the incorporation in the in-school program of the Health Careers project. Along with WOW, it was among the more imaginative of the programs added under the CETA and one of its more successful ones.[1]

WOW in Boston was part of a national Title III pilot project in its final year of funding. Its local sponsor, the Boys Club of Boston, saw the METAC as a last hope. WOW was well-managed, and had demonstrated a willingness to innovate despite the risks involved. It was providing practical world-of-work orientation and effective job development to disadvantaged high school students, who participated without stipends. (It later received METAC funds to extend this program to Spanish-speaking youth, the only program helping this group in this way.)

Roxbury Tracking was receiving Law Enforcement Assistance Administration (LEAA) and State Division of Youth Services (DYS) money to help rehabilitate juvenile delinquents in a community environment. The program wanted to add work experience to its counseling and remedial education services.

Rent-a-Kid was a coalition of separate non-profit neighborhood projects referring younger teenagers (thirteen and older) to odd jobs in their neighborhoods. Originally, services were available irrespective of family income. Funds were sought to pay local job developers and to provide city-wide nonduplicative job development and coordination. The program initially had not considered the possibility of developing links with other manpower agencies as its clientele became older so that they then could more easily enter an older teenage labor market offering steadier work.

It should be stressed that all but one of these changes occurred during the first fiscal year of CETA. The YAC-EDCO and Health Careers projects were channeled through an agency already part of the Boston employment and training system; WOW, Rent-a-Kid and Roxbury Tracking were new to it. They were financed chiefly by unspent 1974 summer youth money that would have been lost by the prime sponsor if alternative uses could not be quickly found.

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1. With the loss of its first director and later his replacement, the status of this program has become clouded.

Most of these new programs had two other features in common. They joined the system bringing along nonCETA money, thus magnifying the resources of the Prime Sponsor. Moreover, their entry came about because of their persistence and over the opposition of stubbornly reluctant CETA-funded agencies.

Still, these five additional programs accounted for only a small share of the Prime Sponsor's Title I funds. For example, in 1975, Rent-a-Kid received $60,000; WOW, $23,652; and Roxbury Tracking, $30,000. The amount of money allocated to Health Careers and YAC-EDCO is not available, since the figures are included in ABCD's in-school and out-of-school budgets, but their combined funding probably was less than $100,000. In contrast Boston's Title I allocation for the last three quarters of FY 1975 was $7,593,646 compared to Title I funds allocated to youth programs (over $1,000,000), these five additions were small (even without the summer youth program).

There were other modest changes in existing programs as well. The combined impact of these minor changes and the previously mentioned major ones, was greater diversity with respect to the groups served, the suppliers of services and the nature of these services. The shift, slight as it seems, was from community and public agencies offering manpower services to private and public agencies offering social services as distinct from labor market services. There also was some increase in the proportion of shorter programs, resulting from the elimination of the Boston Skill Center (where programs were open-ended). However, its closing permitted an expansion of the number and variety of suppliers of services, as a result of subcontracting training to private non-profit schools never before part of Boston's manpower system. The length of these courses reversed any shift to shorter programs that had occurred.

Up until FY 1976 the trend was toward shorter work-orientation programs and job placement services. The proportion of skill training to recruitment and assessment declined. However, FY 1977 planning abruptly reversed the shift from job placement, as well as from recruitment and assessment, back to programs.

Of all the changes mentioned above, it appears that potentially the most far reaching were those flowing from Judge Garrity's initial school integration decision to serve school dropouts. The later vacating of this requirement meant that the BMA was free to redesign and reorient its vocational training, long controlled by the BSD. However, abandonment of the Skill Center also meant the loss of competent instructors, long experienced with disadvantaged enrollees, and the loss of one facility in a racially neutral

location and another facility with a high proportion of white enrollees.

Client Characteristics

Title I enrollees were drawn from a much different population than PEP and PSE enrollees. The former were much younger, less educated, and much more likely to be females and minorities. All were economically disadvantaged. During the last 9 months of FY 1975, 45.1 percent of the Title I enrollees were 21 or younger, slightly over 50 percent were females, 54.1 percent had not finished high school, and nearly two-thirds (65.1 percent), were minorities, nearly 15 percent of all enrollees were Spanish speaking. See Table 1 and 2.

In contrast, most of the PEP and PSE enrollees were over 21 years of age (70.0 percent in PEP and 89.2 percent in PSE), were males (75.8 percent and 72.4 percent, respectively), and had a high school education or better (73.2 percent and 81.7 percent, respectively). Almost three-quarters in PSE were white, but only somewhat over half of those in PEP. PEP and PSE included relatively far fewer of the poor compared to the 100 percent in CETA Title I. The typical PEP and PSE client was comparatively well-educated white male above the poverty line, although PEP did have a substantially larger representation of young people, minorities and the poor than PSE. Probably the most glaring omission in Title I, PEP and PSE were older workers, 45 and over.

These demographic differences in enrollee characteristics in part reflect the distinctly separate referral routes used by Title I programs on the one hand and PEP and PSE on the other. Title I programs recruited through the NEC-Assessement Center network; PEP and PSE through the "CETA" office in City Hall.

If we examine preCETA data, comparing MDTA enrollees with CEP enrollees, we also find that the two served a different client population. The MDTA participants were more like those in PSE than in CETA Title I programs. Combining MDTA-CEP enrollee characteristics thus would mask significant differences in the kinds of people served. A greater percentage of CEP clients were female, and CEP served a much younger group than did the MDTA. In the MDTA, 28.0 percent of the enrollees were Black, compared to 56.0 percent in CEP. Nearly 90.0 percent of the CEP enrollees were minorities while only about two-fifths of the MDTA enrollees were.

All CEP enrollees were classified as disadvantaged,[1] compared to 79.6 percent of the MDTA clientele. No educational data were available for the MDTA programs, so such a comparison is not possible. However, over 60 percent of the CEP clients had less than a high school education. In general, MDTA trainees were predominantly white males of prime working age.

A comparison of the demographic characteristics of clients served before and after CETA show significant changes, even when MDTA and CEP data are combined. A higher proportion of CETA Title I enrollees were younger (45.1 percent were 21 and under compared to 38.2 percent before CETA). Somewhat more whites, relatively, are being served by CETA; in addition, the traditional minority groups, the Blacks and Spanish speaking, have been displaced to some extent by newer minorities, such as Orientals. The Spanish speaking suffered a 20 percent decline, and the Blacks, a 23.5 percent. Still, both before and after CETA, substantial proportions of Blacks and Hispanics were or have been enrolled. MDTA enrollees are omitted from the pre-CETA educational distribution (these figures were unavailable), but Boston Skill Center enrollees are included in the post-CETA distribution. However, there probably has been some shift in favor of the better educated. Discussion with staff members and agency representatives, as well as views voiced at committee meetings lead to this conclusion.

The demographic characteristics of WIN participants shifted in the same direction, but even more so. Since 1973 a larger proportion of Whites have been served (about half in 1973 compared to almost two-thirds in 1975); the percentage of Blacks and Spanish-speaking declined. The educational level of WIN participants also seems to have increased.[2]

Despite earlier plans to coordinate WIN with other manpower programs, success so far has been minimal.[3] Although a liaison exists between WIN and the BMA, attempts to establish an integrated system have faced many obstacles. Each potential partner had little to gain, and each wanted an unequal exchange. WIN wanted free institutional training for its clients that would cost the BMA

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1. CEP was designed to serve only the disadvantaged. Under CEP the term disadvantaged was applied to poor people who also had characteristics considered to be labor market handicaps such as being a minority group member or a school drop-out.

2. Data obtained from the Mass. Division of Employment Security.

3. A new effort began in FY 1977, however, with the BMA, MDES and Department of Public Welfare collaborating in a joint CETA/WIN demonstration project for 16-18 year old high school dropouts receiving AFDC benefits.

Table 1 - Percentage Distribution of Clients of PEP, PSE and CETA Title I Programs, by Personal Characteristics, Boston Various Years, 1971 - 1975[a]

Characteristic	PEP	CETA Titles II and VI	CETA Title I	
			Percent	Absolute
Sex				
Male	75.8	72.4	51.1	3276
Female	24.2	27.5	48.9	3131
	100.0	99.9	100.0	6407
Age				
18 or less	12.9	0.1	18.1	1161
19-21	17.1	10.7	27.0	1725
22-44	61.2	73.2	47.2	3022
45-54	5.5	8.3	6.5	419
55-64	2.9	5.9	1.2	78
65 & over	0.4	1.8	0.0	2
	100.0	100.0	100.0	6407
Education				
8th and under	6.7	3.6	11.0	709
9-11	20.1	14.7	43.1	2758
H.S. grad	41.7	46.7	34.5	2213
Post H.S.	31.5	35.0	11.4	727
	100.0	100.0	100.0	6407
Race[c]				
White	54.9	72.1	34.9	2236
Black	34.2	24.2	36.7	2354
Other	6.4	3.6	14.9	956
	95.5[b]	99.9	86.5	5546
Ethnicity				
Hispanic	8.5	3.5	14.9	955
Economic Status				
Disadvantaged	50.6	37.6	100.0	6407

[a]The data for PEP enrollees were cumulated over a much longer period than the data for Title I and PSE enrollees. However, the characteristics of PEP clients showed little change over time. The specific time periods covered are:

PEP	Section 5:	September 1971 - November 1975
	Section 6:	November 1971 - July 1974
PSE	Title II:	September 1974 - July 1975
	Title VI:	January 1975 - July 1975

[b]Discrepancy in total in original data.

[c]PEP and CETA Title I figures by race excludes the Hispanic, but CETA Title II and VI racial figures include 75 Hispanic who were distributed among the three racial categories without explanation.

Table 2 - Percentage Distribution of CEP and MDTA Clients, by Personal Characteristics, Boston, 1972 - 1973[a]

Characteristic	CEP[b]	MDTA[c]	CEP and MDTA Combined	CETA TITLE I
Sex				
Male	47.3	60.3	51.5	51.1
Female	52.7	39.7	48.5	48.9
	100.0	100.0	100.0	100.0
Age				
18 or less	14.3	9.0	12.6	18.1
19-21	25.7	25.4	25.4	27.0
22-44	57.0	55.0	56.4	47.2
45-54	3.2	8.6	4.9	6.5
55-64	1.0	1.8	1.3	1.2
65 & over	0.0	0.0	0.0	0.0
	101.2[e]	99.8[e]	100.0	100.0
Education				
8th & under	18.5	NA	18.5[f]	11.1
9-11	43.8	NA	43.8	43.1
H.S. grad	36.2	NA	36.2	34.5
Post H.S.	2.4	NA	2.4	11.4
	100.9[e]		100.9[e]	100.1
Race[d]				
White	11.8	59.7	27.3	34.9
Black	56.0	28.0	47.0	36.7
Other	8.7	3.3	6.7	14.9
	76.5	91.0	81.0	86.5[e]
Ethnicity				
Hispanic	22.9[e]	9.0	18.4[e]	14.9[e]
Economic Status				
Disadvantaged	100.0	79.6	93.4	100.0

[a] CEP and MDTA data include only people entering classroom training programs; excluded are those referred directly to jobs or to programs other than classroom.

[b] Cumulative data for October 1, 1972 to May 30, 1973.

[c] Cumulative data for FY 1973.

[d] Excludes Hispanics.

[e] Discrepancy in original data; absolute totals for each characteristic were not always the same.

[f] CEP clients only.

[g] October 1, 1974-June 30, 1975. Includes all enrollees regardless of program or service received.

stipend money at a time that its contracted agencies had a surplus of eligible applicants. In turn, the amount of supportive services WIN could supply was limited. Integration of two different institutionalized intake systems might have posed additional problems that would have exacerbated relationships with the community agencies.

Given the pressing issues deluging the BMA and the limited number of able staff, WIN-CETA integration received a low priority. Greater integration with WIN might reach more of the severly disadvantaged poor, and also might augment limited manpower resources, even if the gains were less than each side desired. For example, all those eligible for WIN would be eligible for CETA programs. If the BMA had jurisdiction over WIN, greater use of family services with preventive potential might be possible; a higher proportion of female clients probably would result. In addition, duplication of effort in intake and job development might be reduced.

Problems of Funds

Despite the above-mentioned changes in kinds of clients, the dominant manpower agencies before CETA continued to be the dominant agencies after CETA; and the programs remained much the same with the exceptions already discussed. Although CETA Title I allocations were automatically shrinking each year, the Boston prime sponsor was able to postpone reductions in overall operating levels through FY 1976 (and through FY 1977 as well, it later turned out).

A "hold harmless" formula had been adopted by the METAC over objections of the BMA staff. This formula maintained the operating levels of the established agencies. The reousrces to honor this came from lag funds, as well as the BMA's success in tapping other CETA sources.

Boston entered its prime sponsorship with a surplus whose existence may have been suspected by senior staff but whose substantial size was not, because of the basence of a coordinated internal fiscal system. Individual agencies had difficulty determining their own budget positions at specific points in time. In turn, the BMA, had still to develop, let alone complement, a system of financial accountability. As a result each year Boston underestimated the money it had available and hence did not fully allocate it. This financial cushion did more than prevent serious operating cuts; it also allowed the introduction of new agencies and programs, thus giving the BMA a chance to experiment with new methods or to provide special programs for unique groups

among the economoically disadvantaged.[1]

Only by the end of 1977 did the lag cushion become exhausted, but it was not until a apecial study was made in 1976 by an ETA official that the precise dimensions and sources of the surplus were realized. This information was not shared with METAC members.

A variety of sources apparently contributed to the surplus (about $1,500,000) which was chiefly in the form of unexpended stipends. For example, during the first fiscal year a large part came from underspending in pre-CETA categorical contacts. The DOL had let contractors spend these funds until October 1974. In some cases the source and amount was clear: lagging OJT contracts, a reallocation of unspent regional funds in FY 1975, the willingness of the City to divert unspent Title II funds to Title I programs or a special CETA 112 allocation. The BMA was hard pressed to refute agency unsubstantiated claims that "more money" was "really" available.

Not to reassign lag money once discovered, was viewed as a cardinal sin. It was unthinkable not to use funds when there were so many poor people needing help, and in particular when spokesmen for special groups were actually seeking it. There also was the danger of forfeiting unspent money.

At the end of the first year the newness of the decision-making process, the limited time available, and the fact that the agencies did not have acceptable projects, left the staff so anxious to find alternative uses for unspent money that they informally solicited them. With allocation costs each year, and the reduction in lag money over time, the hold-harmless formula adopted by the METAC could no longer be maintained.

Besides the continuing cuts and the reduction in lag money, other factors seemed to preclude continuing at 1976 operating levels in the next fiscal year. These other factors included Judge Garrity's decision, which in effect took the stipend money from the BMA's direct control and allocated it to youth;[2] the increase in the minimum wage; and the necessity for work experience programs to pay this minimum, and other benefits, including unemployment insurance. Over time not only did the total amounts allocated to the prime sponsor decrease, but

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1. In particular, ex-offenders and drug addicts, older workers, women, and Orientals. Each group was well-represented on the METAC by alert and articulate spokespeople. In short, the METAC was being responsive to local groups.

2. The order seemed to require serving more individuals than before and hence would have meant an increase in stipend outlays unless payments per enrollee could be cut.

the proportion required for income maintenance rather than operations, increased. In addition to his, real costs were rising with inflation.

With the FY 1977 budget, it appeared that reductions in 1976 operating levels could no longer be postponed, at least on the basis of information then available. Two basic decisions were made by the staff and ratified by the METAC. First, the proportion of the allocation to be received by client groups was based upon the BMA's estimate of the group's share of unemployment in the prime sponsor's jurisdiction. However, only two broad groups were used, adults and youth. Further divisions among significant segments in the universe of need were to be the responsibility of the committees of the METAC. These significant segments were those established in prior plans.

The second decision, according to the staff, was to cut recruitment and direct job placement services the most, in order to maintain programs as much as possible. The reasoning was that applications had always vastly exceeded program slots; to maintain the former at the expense of the latter would make no sense. In addition, the large established agencies wanted to discontinue the small programs that were added to the system when lag money was more plentiful. The result was the elimination of Roxbury Tracking and Rent-A-Kid, two youth programs both of which were later restored when additional funds were found. However, even with the elimination of these two programs, overall, probably more youth would have been served since the Federal court decision, still in force, had redirected the utilization of the CETA 112 resources from adults to youth.

A comparison of the 1976 operating levels with the first budget approved by the METAC for FY 1977 does not fully sustain the staff explanation and public justification of their recommended reductions. In addition, two significant changes occurred which made a major portion of the approved cuts, as well as the unavoidable emphasis on youth, unnecessary. Each of these aspects will be discussed in turn.

The prime sponsor was faced with the following stark reality: with an operating level of $9,738,342; it had a DOL allocation of $7,100,000 and $200,000 in lag money from FY 1976. This meant a pending imbalance of $2,428,342. However, the BMA was able to persuade city officials to use Title II funds for two Title I adult work experience programs which it was argued were most like Title II programs. These two programs were New Careers and Adult Work Experience (AWE). This money offset $1,025,912 of the imbalance, leaving a pending deficit of $1,428,342. Table 3 compares the actual 1976 allocation

with the 1977 budget.

The $1,428,342 deficit was met in two ways, by direct program cuts and by a revised estimate of allowance expenditures. Allowances had been estimated by multiplying 52 weeks by $70 (the average weekly stipend) by the number of slots. The total was then reduced by a 10 percent attrition factor. After re-evaluation, it was discovered that the average adult job training allowance was $58 a week; this figure was substituted for the $70. Then an attrition factor of 5 percent was applied instead of 10 percent. The result was a $221,347 savings; it made up for what the program cuts had not achieved.

In determining which programs were to be cut, the committees were given a Hobson's choice by the METAC and its steering committee; the committees could not change the total amount of money the programs in their jurisdiction could receive; all the committee could do was determine how the cuts would be allocated. If the committees could not decide on their own recommmendation, the staff recommendation automatically was the approved one sent to the METAC. The Youth Committee refused to make specific cuts, because the staff had not provided it with performance data on which to base a decision. In this case, the staff's recommendation to eliminate two small programs went to the METAC, which approved it. The staff also had recommended reductions in ABCD's two youth programs.

The ESL Committee also found it difficult to make a decision without performance data. They rejected the staff recommendation which was to eliminate one program. Unlike the Youth Committee, the ESL Committee did make a recommendation. The assigned cut was distributed proportionally on the basis of the 1976 budgets. In just one other case did a committee refuse the staff recommendation. The Job Training Committee rejected the recommendation to defund a pre-vocational course conducted by the Dimock Health Center, a community-based agency. Instead it was recommended that a recently funded LPN program run by Boston City Hospital be cut. The City (not CETA) had financed this program for a number of years and in 1976 had requested that the METAC finance it instead. The METAC had agreed, and the program had been modified to enroll only economically disadvantaged applicants, who had not yet been enrolled. The Committee's recommended cut was upheld by the METAC.[1] Essentially, the Committee had voted in favor of an existing agency in the manpower system rather than an outsider, particularly since it had not enrolled any trainees referred to it

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1. The cut was restored when lag money was discovered that permitted the LPN program to be fully funded without reducing a program within the Committee's jurisdiction.

Table 3 Comparison of FY 1976 and FY 1977 Budget Allocations, CETA Title I Programs, Boston

Program or Service	FY 1976	FY 1977	Change Absolute	Change Percentage
I. Employment and Assessment Centers				
a. Employment Centers	$ 373,333	$ 322,535	-50,798	-13.6
b. Assessment Centers	329,997	267,702	-62,295	-18.9
c. MDES Subcontract[a]	241,950	100,000	-141,950	-58.7
d. Substance Abuse[b]	42,000	42,000	0	0.0
e. TWCH[b]	217,000	195,300	-21,700	-10.0
f. Older Worker's Placement[b]	50,000	50,000	0	0.0
	$1,254,280	$ 977,537	-276,743	-22.1
II. Classroom Training				
a. Skill Training (incl. ABE)				
1. Operations	1,323,107	1,265,429	-57,678	-2.4
2. Stipends	1,159,704	1,159,704	0	0.0
Subtotal	2,482,811	2,425,133	-57,678	-2.4
b. English-as-a Second Language				
1. Operations	356,405	302,101	-54,304	-15.2
2. Stipends	576,576	504,947	-71,629	-12.4
Subtotal	932,981	807,048	-125,933	-13.5
c. Total Training				
1. Operations	1,679,512	1,567,530	-111,982	-6.7
2. Stipends	1,736,280	1,664,651	-71,629	-4.1
	3,415,792	2,232,181	-183,611	-5.4
III. Governor's Special Vocational Education Grant	615,888	615,888	0	0.0
IV. OJT	749,804	364,804	-385,000	-51.4
V. Work Experience				
a. Adult Work Experience	377,247	377,247	0	0.0
b. New Careers	648,665	648,665	0	0.0
	1,025,912	1,025,912	0	0.0
VI. Offender Services[c]	170,000	170,000	0	0.0
VII. Youth Programs				
a. Job Referral and Placement				
1. Boys Club (WOW)	49,662	-49,662	0	0.0
2. Rent-A-Kid	60,000	0	-60,000	-100.0
Subtotal	109,662	-49,662	-60,000	-54.7
b. Work Experience				
1. ABCD in-school	493,070	[d]	--	--
2. Roxbury Tracking	40,000	0	-40,000	-100.0
Subtotal	533,070	n.a.	n.a.	n.a.

Table 3 Continuation

		FY 1976	FY 1977	Change Absolute	Change Percentage
c.	Youth Development Center (out-of-school youth)	874,552	d	n.a.	n.a.
d.	ABCD Youth Central (Administration)	60,440	d	n.a.	n.a.
	ABCD Subtotal (b, c, d)	1,428,062	1,189,961	-238,101	-16.7
		1,577,724	1,239,623	-338,101	-21.4
VIII.	Administration				
a.	BMA	400,000	400,000	0	0.0
b.	DES Allowance Administration	280,030	280,030	0	0.0
c.	Women's Project [e]	50,000	0	-50,000	-100.0
d.	ABCD Adult Central	102,911	102,911		
e.	Northeastern University Follow-up[f]	56,000	30,000	-26,000	- .
	TOTAL	888,941	812,941	-76,000	.9
	TOTAL FUNDS	$9,664,341	$8,472,886	-1,191,455	-12.3

a ABCD Subcontract to MDES.

b Specialized recruitment services for by specific programs for specific groups. Substance Abuse refers to an OIC program that recruits and serves drug addicts. The Third World Clearing House (TWCH) recruits and trains minorities for the construction industry. Older worker Placement refers to an ABCD recruitment and referral service, for older workers.

c Deer Island Assessment Center

d The allocation to ABCD for these two youth programs and for ABCD Youth Central Administration was given as a block grant; ABCD was to divide the money among each of these three youth functions. This division was not disclosed. However, the total youth allocation to ABCD is included in ABCD Youth Subtotal and the total for youth.

e Funds allocated by the METAC to develop a training program for manpower agencies to ensure non-discriminatory recruitment, referral and hiring.

f Survey of Program Terminees to determine their post program employment and labor market status.

by the system.

The staff's recommendations to other committees were accepted. In one area, OJT, enough information was available to make a well-educated decision. At best, only half the money allocated to OJT had been contracted out possibly because of poor labor market conditions, but also because of program inadequacies. This coupled with the impression that OJT administrators were overpaid led to a greater than 50 percent cut. The recommendations regarding the NEC budget cuts were accepted because a substantial part of the cut could be made at the expense of the MDES, which was not overly anxious to serve hard to place applicants.

Three sectors bore the bulk of the reductions: OJT (32.3 percent), youth (28.4 percent), and the NEC's and Assessment Centers (23.2 percent). Overall, program reductions amounted to 12.3 percent from 1976, but the OJT cut was 51.4 percent of its 1976 operating level; the youth cut, 21.4 percent; and the Employment and Assessment cut, 22.1 percent. In contrast, classroom training suffered a loss of just 2.4 percent, and ESL, 13.5 percent.

Most of the youth cuts came from ABCD, even with the elimination of two of the smaller programs. One youth program, Boy's Club WOW, was not cut at all, probably with justification, because of its performance and staff capability.

The reduction in classroom training does not include the resources that had been allocated to the Boston Skill Center and which were, at that time, still under the control of the court. Up until then, this money had been used for adults; with its mandatory reallocation to youth, a far greater cut would have been incurred by adults than youth. Cuts proportional to the share of unemployment borne by adults and youth would not have been achieved. Youths would have received more total resources, while the reduction in adult skill training would have been that much greater.

The preference the BMA gave to programs rather than recruitment and assessment was only partially fulfilled, because of the sharp cuts in OJT, and because of the cuts in youth programs. On the other hand, the BMA was correct if it meant that it was preserving formal classroom training in the two major community agencies. In the youth sector, which covered all programs, there was no way to reduce except to cut them. It is only by excluding the Skill Center that youth and adult reductions conformed to their respective proportions of the "universe of unemployment." Inclusion of the Skill Center would have shown an increase in the youth share of BMA funds.

However, soon after the 1977 budget was approved, significant developments occurred which negated the need for most of the reductions. A large part of the youth cuts and all the ESL cuts were restored by a windfall or $400,000 from"CETA 112" stipend money that the state had discovered could not be spent by the Balance of State before the end of FY 1976. Both of the two youth programs that had been dropped were fully restored, as were close to half of the cuts in ABCD's two youth programs. These restorations did not go through the entire METAC process; the decision was made by the Steering Committee before going to the METAC. The restoration of these funds suggests that nearly all of the operational cuts will be from OJT and recruitment and assessment.

Another important event which occurred after the Budget was voted was the vacating of that part of the Court's Unified Plan requiring the training of school dropouts. Despite this reversal, the Skill Center was not reopened. Its closing had resulted from the State Department of Education's refusal to allow "CETA 112" funds to be used by the Boston School Department in the Skill Center if administrative changes were not made. They were not made. With the elimination of the Skill Center came the elimination from the manpower system of a program and agency that had long irritated other major agencies. The Center's internal operations had been studied repeatedly. In some cases, results were highly critical, especially the lack of systematic records and orderly administration. In other cases, the training and its results were shown to be valuable. Relations between the Skill Center and other major agencies had been marked by mutual distrust and a lack of coordination and collaboration. On balance, the performance of this agency probably was at least on a par with that of the other agencies, but the price paid by the system was excessive.

Budget Comparisons

The total planned budget or accrued expenditures vastly exaggerate the amount of direct investment in trainees that logically might be expected to increase an individual's employability or improve labor market knowledge. For example, the accrued expenditures for the last nine months of FY 75 (October 1974-June 1975) were:[1]

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1. Data obtained from Boston Prime Sponsor Quarterly Progress Reports, covering period October 1974 to July 1975.

Administration[a]	$1,495,202
Classroom Training[b]	997,709
Recruitment, Assessment and Counseling Services	952,332
Allowance	868,549
Wages and Fringe Benefits (Work Experience and OJT)	948,846
Total	$5,262,638

[a]Includes DES allowance administration.

[b]Includes ESL.

(This total of accrued expenditures is below the $6,073,829 of planned expenditures.) Direct human capital investment expenditures were taken to be all of classroom training, all of recruitment, assessment and counseling services, and one half of the wages and fringe benefits of work experience programs and OJT. These direct investment items totaled $2,424,465, just 46.1 percent of the total accrued expenditures of $5,262,638. Administrative costs came to 28.4 percent, and income maintenance payments (allowances plus one-half wages and fringe benefits) accounted for 25.5 percent. Wages and fringe benefits have a dual function in our analysis. Although part of wages is a proxy for OJT or work experience, the entire wage item is income maintenance. However, if we included all of the wages as income maintenance, then our total expenditures would exceed actual expenditures. Hence we understated the income maintenance share.

On a per enrollee basis, human capital investment[1] was as follows:

Classroom Training:		
Recruitment, Assessment and Counseling Services		$148.64
Training		453.09
	Total	$601.73
OJT and Work Experience:		
Recruitment, Assessment and Counseling Services		148.64
OJT and Work Experience		268.19
	Total	$416.83

1. Not included are stipends and comparable income maintenance outlays because they do not represent the development of skills.

Recruitment, Assessment and Counseling[a]	$148.64

[a]Only for those who received services other than those provided by an NEC and/or an Assessment Center.

Note that the classroom training, OJT and Work Experience figures include the per enrollee $148.64 attributable to recruitment, assessment and counseling, because all enrollees have to go through these processes. As indicated, actual training or job experience expenditures come to much less; for classroom training the average is $453.09 per person, and for work experience and OJT, it is $268.19 per person. For all enrollees the average human capital expenditure was $278.41. Of course, these figures assume that enrollees never missed a class and hence overstate the actual value of the training or job experience.

Let us assume that the average enrollee will be working for only another 25 years. A 10 percent rate of return on a direct investment in skill of $378.41 would mean a very modest annual increase in earnings of $41.69, or on 2,000 hours per year basis, 2 cents an hour. If employed just half a year, 4 cents per hour is a 10 percent return. On the highest investment of $601.73, the increase in annual earnings would be $66.95 or 3 cents an hour if employed 2000 hours. If we discounted over a 35-year period, the annual gain from the average investment of $378.41 would be $39.23 at 2000 hours. On the $601.73 investment, the annual return over 35 years would be $63.02, or approximately 3 cents per hour. There is little reason to expect substantial income gains with such minimal investments allowed by the Federal Manpower budget.[1]

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1. A cost-benefit analysis would include stipends on the grounds they constitute a human capital investment. The view taken above is that they do not represent services that specifically aid an individual's employability.

IV

PUBLIC SERVICE EMPLOYMENT

Title I programs, and Title II and VI have different purposes. These differences, coupled with the existence of a pre-CETA predecessor to PSE, led to the independent implementation of Title I, and of Titles II and VI.

Administrative Structure

As stated previously, the PSE administration is distinctive and separate. There were no meaningful operational links between PSE and Title I programs originally, although now Title I's programs do make referrals to Title II and VI openings. Persistent pressures by members of the METAC, particularly those representing women and minority groups, and by the regional DOL, eventually persuaded Title II and VI administrators to report to the advisory council. This administrative mechanism, gradually formalized over a period of time, was able to influence the mix of enrollees hired to fill vacated slots as the PSE program continued. The PSE committee also might have influenced the decision to allocate additional PSE monies to non-profit private agencies. However, establishment of the PSE committee was the first and only successful attempt to create a link between Title I and PSE other than an informal coordination between the administrators of the Boston Manpower Administration and the CETA office.[1]

An early attempt to establish formal operational ties between Title I and PSE collapsed. According to the administrators of PSE, they approached the agencies who run the NEC's for referrals. The contacts failed because the NEC's would not receive official credit for referrals and placements, since the City insisted that all applications be filled at City Hall on the grounds that the City, not the agencies, would be held responsible for violations of eligibility. The NEC's did not marshal a stream of applicants, because the NEC's were extremely skeptical that disadvantaged minorities would be enrolled and did not want to discredit themselves.

Despite early attempts by ABCD and OIC to develop links, PSE administra-

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1. In addition, a lottery selection of all applicants for referral was introduced to ensure impartiality.

tors had not foreseen the need to do so well in advance of hiring. The City apparently did not anticipate a repetition of its experience under PEP, when pressure to fill slots quickly had led to a hectic hiring pace that precluded a careful screening of applicants.

Eligibility criteria for Title II and VI permit a wide latitude in the selection of applicants once the minimum standards of residency, and either unemployment[1] or underemployment are met. There is little in the Federal regulations to indicate that either Title should treat any differently groups identified as "significant segments" or individuals identified as economically disadvantaged. The regulations of both titles require "special consideration" for the "most severely disadvantaged" with respect to their length of unemployment and their likelihood of finding work as well as to three other groups, namely, "Vietman" veterans, welfare recipients and ex-manpower trainees. Both titles are enjoined to treat "significant segments equitably".

The only explicit difference in eligibility criteria is the preferential consideration in Title VI for three groups not mentioned in Title II regulations. Two of the three represent those with lengthy periods of unemployment. These are persons who have exhausted their unemployment benefits, or have been unemployed for at least 15 weeks. The third group, those ineligible for unemployment benefits, could include many who are considered disadvantaged employed or have held odd jobs.

However, the purposes of Title II programs cited in the Act itself are those designed to enhance employability and promotability, or to prepare enrollees for expanding occupations; Title II is a transitional step to unsubsidized "regular" jobs. In contrast, Title VI's objective is countercyclical.

The BMA and the METAC viewed Title II activities as akin to employment and training services and appropriate for those with labor market handicaps. Title VI was viewed here, as elsewhere, as an employment program for the jobless, some of whom might also have labor market disabilities. This distinction was supported by the ETA Regional Office.

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1. A minimum of 30 days unemployment apply in both cases, except in areas of "excessively high" unemployment in Title VI, when the minimum becomes 15 days. In addition, of course, Title II, but not Title VI, allocations went only to areas of substantial unemployment.

Title II Goals

In Boston, Title II had two primary goals. The first was helping the unemployed and underemployed "by providing income through CETA salaries", as well as providing OJT, special training, and "permanent placement assistance through counseling". The second goal was to "address at least a significant part of the large agenda of public service needs which challenge the City of Boston". Eligibility requirements were minimal: the applicant had to reside in an area of "substantial" unemployment, and either be underemployed or unemployed for at least 30 days. No other priorities were established by the Federal government, such as race, educational level or economic status. These were left to the discretion of the particular locale.

Following Federal guidelines, Boston directed its FY 1975, Title II effort towards specific groups that were "most disadvantaged", as measured by their length of unemployment and their prospects of finding work. Listed below are these selected groups and their share of PSE employment to which the City committed itself:

	Percentage Shares of PSE Employment	
Group	Goal	Actual
Welfare recipients	10.01	18.01
Special veterans	7.0	6.7
Former Manpower enrollees	15.0	14.5
Head of households	66.7	64.0
Women	25.0	28.6
Limited English-speaking ability	1.5	0.7
Youth	15.0	11.9
Poverty	38.0	40.8
Black	20.0	25.0
Other minority	2.0	2.3
Spanish-speaking	4.0	4.1

Nearly all these goals were reached or nearly reached. The major exception was youths. These goals had inherent limitations. The percentages allocated to each group were based on its share of the unemployed, as given in the 1970 Census of Population; they were not based on the group's unemployment rate, nor on some measure of the duration of unemployment. A group's

unemployment rate, or its average length of unemployment, would have been more consistent with the City's objective of assisting those having the most trouble finding work and as a result experiencing long spells of joblessness. The decision to use a group's share of total unemployment was influenced by the composition of the City's population. The result was that a majority of jobs went to adult white males, a group with the most members needing jobs but not necessarily having the severest labor market problems.

The City's emphasis on groups with the largest numbers was neither right nor wrong, since CETA permits considerable latitude here. The City's strategy, however, was likely to include a relatively high proportion of the job ready and work experienced. This approach might have enabled the City to better satisfy its short run hiring needs, but, as a result, might have bypassed the more difficult problem of making the less employable more employable.

Recruitment for the pre-CETA PEP program began in Boston in September 1971. Like PSE, there were two separate components. One of these, Section 5, can be interpreted as directed at cyclical unemployment; it was to provide transitional employment in public service jobs when the national unemployment rate averaged 4.5 percent for three consecutive months. The other component, Section 6, can be interpreted as directed at more serious, longer run unemployment. It was intended for areas with unemployment averaging 6 percent or more for three consecutive months.

PEP also had eligibility requirements and priorities. To be eligible an individual had to be unemployed at least two weeks. One third of the first years enrollees were to be Vietnam ear veterans. Priority also was to be given to the young and elderly, to migrants and seasonal workers, to those with limited English speaking ability, to low-income persons. The spirit and language of the Emergency Employment Act clearly indicate the intent to employ and to permanently raise the employability of low-income persons confronted with labor market barriers. Boston's PEP administrators viewed the program as intended largely for poor persons with substantial problems finding and holding decent jobs.

Title VI Goals

As noted, the eligibility criteria of Title VI differ from those of Title II by including three additional priority groups, two of whom consist of the long-term unemployed. Within the context of these three categories,

priority was to be given to Vietnam veterans, the economically disadvantaged, and former manpower trainees. The City chose the following four target groups for its 504 Title VI jobs:[1] minorities, women, elderly workers (55 and over), and construction workers. Minorities were to receive 30 percent of the slots. In addition, separate goals were set for 298 "physical rehabilitation" (or capital improvement) jobs included in one total, and for the remaining 206 non-rehab (or "special projects") jobs. The physical rehabilitation jobs were reserved for construction workers, but 30 percent of these hires had to be minorities, and 10 percent women. In contrast, half of all the non-rehab slots were to be filled by women and 20 percent by elderly workers.[2] Assuming 504 total positions, 151 were to have been filled by minorities, 89 of these on rehab work; 133 by females, 30 on rehab; and 41 by elderly workers, all on non-rehab work. These goals were not independently decided by the City; the regional DOL was involved.

Client Characteristics

As of mid-March 1975, after close to 80 percent of the positions of the Title VI slots had been filled, the City's goals had not been realized. Minorities were 26.1 percent (not 30.0 percent) of the 399 hires, and older workers 16.8 percent (not 20 percent) of the 155 non-rehab hires. Women had the largest deficit; they were 23.3 percent, not 30.0 percent of all hires. The stumbling block for both minorities and women were the rehab jobs; goals for minorities and women had been exceeded on the non-rehab positions. In contrast, women and minorities together filled only one-quarter of the rehab slots; the grant application had promised them 30 percent and 10 percent, respectively.[3] There might be a reasonable excuse for missing the goal for

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1. The City initially received $5,464,379 in Title VI funds. There is some confusion about the actual number of positions to be created. The listing of jobs in the City's Title VI Grant Application totalled 524, but a special report presented to a committee of the METAC in March 1975 by the CETA-II office used a total of 504. The figures in our paragraph are based on material in this report and on its 504 total.

2. These goals were taken from the City's Title VI Grant Application. Another METAC report restated the goals for the physical rehabilitation jobs to be 30 percent minorities and women, not 30 percent minorities and 10 percent women in the application.

3. Our calculations indicate that women probably had 9 of the rehab; and minorities 51; compared to the 24 and 73 needed.

women, but not for minorities. There conceivably might not have been women living in the city who were both construction workers and unemployed. It is inconceivable, however, that there were fewer than the 73 resident minority construction workers who were unemployed. Insistence by the METAC's Women's Committee led the City's CETA-II administration to promise that the 105 still empty slots be used to compensate for the deficit in female and nonwhite hires.

Of the 105 open slots, 54 were rehab and 51 non-rehab. Since the goals for non-rehab jobs had been overachieved, it was in the construction area that the women and nonwhites had to be placed. Union initiative had been an important reason for allocating a substantial number of PSE slots to physical improvement. The unions were motivated by high unemployment among their members. Under these circumstances, for the City to hire nonunion construction workers would have been difficult. It was not possible to determine whether the City's goals actually were met, because the demographic characteristics of those hired to fill these remaining slots were not available.

A similar comparison of goals and achievements for Title II and for the PEP program was impossible because of the unavailability of disaggregated data.

A comparison of the characteristics of those hired under PEP and under Titles II and VI shows a shift from the more to the less disadvantaged, from an effort to improve the long run status of those with serious labor market problems to the more limited effort of temporarily employing the employable, and inferentially, at wage and salary levels that minimize income loss or deprivation. Differences in the timing and duration of these three programs, and in the availability of data, preclude perfect comparability; but in the case of the programs, the number of enrollees is sufficiently large, and the number of unfilled slots sufficiently small, to rule out all but the minor distortions. (See Table 1).

During the 9-month period, October 1974 to July 1975, there were 1502 persons enrolled in Title II. Of this total, 71.4 percent were males, 61.2 percent were 22-44 years old, and 71.4 percent were white. Over 35 percent had more than a high school education. In short, Title II enrollees were fairly well educated white males of prime working age.

This trend in hiring, as well as PSE concentration on placing the better educated in unsubsidized jobs, was criticized by ABCD early in 1975 as a misdirection of effort when the poorly educated and disadvantaged were having

Table 1. Percentage Distribution of Enrollees in the Public Employment Program (PEP) and in the Public Service Employment (PSE) Program by Personal Characteristics, Boston, Various Periods, 1971-75

Characteristics	PEP[a]			PSE[b]		
	Total	Section 5	Section 6	Total	Title II	Title VI
Number of Enrollees	1743	948	795	2017	1502	515
Sex						
Male	75.8	76.4	75.1	72.5	71.4	75.5
Female	24.2	23.6	24.9	27.5	28.6	24.5
Total	100.0	100.0	100.0	100.0	100.0	100.0
Age						
18 and under	12.9	6.3	20.6	0.1	0.2	0.0
19-21	17.1	17.3	16.9	10.7	11.7	7.6
22-44	61.2	67.4	53.8	73.2	74.2	70.3
45-54	5.5	6.0	4.9	8.3	6.8	12.8
55-64	2.9	2.5	3.4	5.9	4.9	8.7
65 and over	0.4	0.4	0.4	1.8	2.2	0.6
Total	100.0	100.0	100.0	100.0	100.0	100.0
Education						
8 years or less	6.7	4.2	9.7	3.6	3.3	4.5
9-11 years	20.1	16.5	24.5	14.7	14.3	15.7
12 years	41.7	43.7	39.1	46.7	47.1	45.6
over 12 years	31.5	35.6	26.7	35.0	35.3	34.2
Total	100.0	100.0	100.0	100.0	100.0	100.0
Race						
White	54.9	56.2	53.3	72.2	71.4	74.2
Black	34.2	32.9	35.7	24.2	25.0	22.1
Other	6.4	8.0	4.1	3.6	3.6	3.7
Total	95.5[c]	97.1[c]	93.1[c]	100.0	100.0	100.0
Ethnicity						
Hispanic	8.5	8.0	9.0	3.7	4.1	2.5
Income Status						
Economically Disadvantaged	50.6	49.5	52.2	37.6	40.8	28.5

[a] Section 5 data are for 50 months, September 1971 to November 1975; Section 6, for 45 months, November 1971 to July 1975.

[b] Title II data are for the nine months beginning October 1974; Title VI, for the six months beginning January 1975.

[c] Does not add to 100.0 percent because of omissions in the data from original sources.

such difficulty finding work. Moreover, they, not the better educated, needed the supportive services Title II could offer. At the beginning of the first quarter of 1975 PSE administrators reported that they were giving priority to enrollees with marketable skills and experience in making unsubsidized placements; in other words, they were placing the most employable first. The purpose was to make more slots available for the unskilled and poorly educated, and then to concentrate on placing them.

The rapid increase in enrollees with over 12 years of school may not have been the joint product of the crash hiring during the winter quarter, and the likelihood that the better educated was better informed about and more alert to opportunities than the poorly educated. The importance of personal contacts and of supervisors' preferences for individuals with specific skills cannot be ignored, however.

The data do not support the reasons presented by PSE administrators for their emphasis on the better educated. Very few (just 64) placements had been made by July 1975. Moreover, a disproportionately smaller number of those with more than 12 years of education were placed than were represented among all Title II enrollees by then.

By mid-1975, a total of 515 persons had been enrolled under Title VI. Of these 515, 75.5 percent were males, 74.2 percent were white, and 34.2 percent had more than a high school education. Only 28.5 percent were economically disadvantaged. The only important difference between Title II and Title VI clients was the percentage of economically disadvantaged; 40.8 percent of the former fell in this income category. Like Title II, then, Title VI also was dominated by better educated white males. Although such individuals might constitute a large share of the unemployed, their unemployment rate was not the highest, and their job prospects not the most dismal. (See Table 1).

Of the 1743 PEP enrollees, large majorities (about three-quarters) were males and had at least a high school education; but close to half were either nonwhites or Spanish-speaking, and a substantial proportion were no older than 21, although nearly two-thirds were in the primary age group 22-44. There were important differences among Section 5 and Section 6 enrollees in age and education. Section 6 included nearly three times the number, proportionately, of those 18 and younger, and well over half as many more without high school education. Section 6 also included proportionately more nonwhites

and Hispanics, but the differences were not large. The data indicate that in Boston, Section 6 indeed was interpreted as a program for those with exceptional labor market problems.

Similarly, compared to PSE, PEP was more a program for the poor and those with employment problems. PEP enrollees, while mostly males like PSE enrollees, were more likely than the latter to be nonwhite (40.6 percent vs. 27.8 percent) and Spanish-speaking (8.5 percent vs. 3.7 percent), less well educated (26.8 percent vs. 18.3 percent with under 12 years of school), and economically disadvantaged (50.6 percent vs. 37.6 percent). PEP enrollees also included relatively more young people.

Title II had terminated a total of 228 individuals, or just 15.2 percent of its enrollees, by July 1975. Only a minority of terminees (28.1 percent) found unsubsidized jobs; over half (55.6 percent) terminated for nonpositive reasons; the remainder, (16.2 percent) were for other positive reasons. Only 72 enrollees, or 14.0 percent of the total, had been terminated from Title VI by July 1975. Only a fifth of the 72 terminees found jobs; over three-quarters had left for non-positive reasons. Overall, by mid-1975 PSE still had to fill its role of finding its enrollees regular jobs. Out of 2017 PSE enrollees, 300 had been terminated, and 79 of these had entered unsubsidized employment. (See Table 2).

Although a higher proportion of PEP terminees were placed in jobs, (28.3 percent as compared to 3.9 percent), the proportion was still small; moreover, the PEP data cover a substantially longer period. Although only 79 PSE job placements are involved, those placed tended to include a disproportionately small number with more than 12 years of education compared to all enrollees. As already noted, there was no evidence to corroborate the intention of PSE administrators to accelerate the placement of those with more than high school educations in order to accommodate lesser educated individuals with labor market problems. (See Table 3).

In addition to placing a relatively high number of enrollees with less education than the average enrollees, PSE also placed a relatively high number of Blacks and females, well above their respective shares of enrollments. For instance, females were 38.0 percent of those placed in unsubsidized jobs but only 27.5 percent of enrollments; Blacks were 30.4 percent of those placed but 24.2 percent of enrollments. On balance, the less, not the more employable, seemed to have been placed first. PSE administrators

Table 2. Percentage Distribution of Terminees of the Public Service Employment (PSE) Program, by Personal Characteristics, Boston, 1974-75[a]

Characteristics	Total	Title II	Title VI
Number of Terminations	300	228	72
Sex			
Male	67.7	63.0	83.3
Female	32.3	37.3	16.7
Total	100.0	100.0	100.0
Age			
18 and under	0	0.0	0.0
19-21	45	17.6	8.3
22-44	188	66.1	58.3
45-54	38	10.4	20.8
55-64	18	5.0	9.7
65 and over	4	0.9	2.8
Total	293	100.0	100.0
Education			
8 years of less	6.3	6.1	6.9
9-11 years	18.3	19.3	15.3
12 years	49.3	49.6	48.6
Over 12 years	26.0	25.0	29.2
Total	100.0	100.0	100.0
Race			
White	59.8	56.3	70.8
Black	35.5	37.6	29.2
Other	4.7	6.1	0.0
Total		100.0	100.0
Ethnicity			
Hispanic	3.3	4.4	2.7
Income Status			
Economically Disadvantaged	57.5	75.9	50.0

[a]Title II data are for the nine months beginning October 1974; Title VI, for the six months beginning January 1975.

Table 3. Percentage Distribution of Terminees Placed on Unfunded Jobs under the Public Employment Program (PEP) and the Public Service Employment Program, by Personal Characteristics, Boston, Various Periods, 1971-75

Characteristics	PEP[a]		PSE[b]	
	Number	Percent	Number	Percent
Total	493	100.0	79	100.0
Sex				
Male	360	73.0	49	62.0
Female	133	27.0	30	38.0
Total	493	100.0	79	100.0
Age				
18 and under	n.a.	--		
19-21	n.a.	--	9	11.4
22-44	n.a.	--	54	68.4
45-54	n.a.	--	10	12.7
55-64	n.a.	--	6	7.6
65 and over	n.a.	--	0	0.0
Total			79	100.0
Education				
8 years or less	n.a.	--	6	7.6
9-11 years	n.a.	--	18	22.8
12 years	n.a.	--	39	49.4
Over 12 years	n.a.	--	16	20.3
Total			79	100.0
Race				
White	287	58.0	49	62.0
Black	154	31.2	24	30.4
Other	35	7.0	3	3.8
Total	476[c]	96.2[c]	76[c]	96.2[c]
Ethnicity				
Hispanic	33	6.7	2	2.5
Income States				
Disadvantaged	216	43.8	60	76.0

[a]Section 5 data are for 50 months, from September 1971 to November 1975 Section 6, for 45 months, from November 1971 to July 1975.

[b]Title II data are for the nine months, October 1974-July 1975; Title VI, for the six months, January 1975 - July 1975.

[c]Does not add to total or to 100.0 percent because of omissions in original data source.

apparently devoted special efforts to finding jobs for the disadvantaged. For example, only a small proportion of the Title II enrollees who were placed found their own jobs. In contrast, nearly all the Title VI enrollees had. However, one cannot discount the desire of city departments to retain the better educated with advanced skills and experience. Nor can one ignore the possibility of implicit discrimination, which might have prompted minorities and women to accept other jobs if available.

In contrast to PSE, the characteristics of PEP enrollees placed in unsubsidized jobs corresponded more closely to the characteristics of all PEP enrollees. Even so, Blacks, the Spanish-speaking and the economically disadvantaged tended to be somewhat underrepresented because PSE was relatively new and only 3.9 percent of its enrollees had been placed at the time our data were gathered. Nonetheless, females, Blacks, the young (19-21), the old (45 and over), the poorly educated, and the poor tended to be overrepresented among those placed. In short, males, prime-age workers, whites and the better educated tended to remain PSE enrollees.

Allocations and Expenditures

In both absolute and relative terms, the resources devoted to public service jobs absorbed a higher share of Boston manpower funds under CETA than before. Under CETA, Title I programs in the City have received, over time, less money (and been able to provide commensurately fewer services) than their pre-CETA counterparts. Even if the total amount of manpower monies (in real terms) given to Boston had not shrunk, the growth of public service employment would have meant a drop in the importance of programs designed to raise the employability of those with more serious labor market handicaps.

The amount of money devoted to public employment in Boston roughly doubled under CETA. Boston PEP received $11,769,582 for 971 slots enrolling 1743 persons over a 50 month period. Boston PSE received $23,498,221 for 1890 slots, and had enrolled 3982 in 15 months. (Actual expenditures came to only $15,255,645 by then).

Annualizing the expenditures of PEP and PSE permits us to compare the costs per slot-year and per participant-year of both these programs. PSE spent much more money on both than PEP. According to data in Table 4, PEP's annualized cost per slot was $3690; its cost per enrollee, $2056. PSE's

Table 4. Allocations and Expenditures for PEP and PSE, Boston, various periods 1972-1975

	Total Funds Allocated	Total Expenditures	Number of Slots	Total Enrollees	Annualized Expenditures[a]
PEP					
Section 5 (38 months)	$7,514,545	$6,295,775	580	948	$1,988,139
Section 6 (32 months)	4,255,037	4,252,586	391	795	1,594,720
Total	$11,769,582	$10,548,361	971	1743	$3,582,859
PSE[c]					
Title II (15 months)	$9,023,689	$9,414,901	b/	2453	$7,531,921
Title VI (12 months)	14,474,532	5,840,744	b/	1529	5,840,744
Total	$23,498,221	$15,255,645	1890	3982	$13,372,665

[a] PEP annualized expenditure per slot: $3,582,859/971 = $3690; annualized expenditure per enrollee: $3,582,859/1743 = $2056

PSE annualized expenditure per slot: $13,372,665/1890 = $7076; annualized expenditure per enrollee: $13,372,665/3982 = $3258

[b] Separate slot levels for Title II and VI unavailable.

[c] PSE data cover more months in this table than in Table 1, because of differences in the availability of different kinds of data.

were $7076 and $3258, respectively.

Average hourly earnings under PSE seemed to be above those under PEP. As calculated by City officials, the average for Title II was $4.28 and for Title VI, $4.44. In contrast, PEP enrollees averaged just $2.81 per hour.[1] However, there were differences in the amount individual enrollees received from both programs because of differences in the lengths of time enrolled.

Reconciling the annual earnings generated by these average hourly wage figures and those generated by the expenditures data just presented was difficult without knowing the turnover and vacancy rates anticipated by PEP and PSE officials. Using the hourly earnings above and assuming a full-time job of 1820 hours a year,[2] PEP enrollees would have earned $5114 a year; Title II enrollees $7790; and Title VI enrollees, $8081. (For comparison's sake, the official 1975 poverty income figure for a family of four was $5050, that for the year 1972 was $4000, for 1973 an average of $4250, and for 1974, $4550. The average for the years 1972-1974 was $4263). As a percentage of the relevant poverty figure, the PEP annual earnings amounted to just about one-third more; the PSE, from over two-thirds to three-quarters more. According to these calculations, PSE enrollees might have been enjoying a higher standard of living than Title I enrollees and, comparatively speaking, earlier PEP enrollees.

In contrast to these annual earnings figures under PSE, the overall PSE annual outlay per slot was only $7076, of which nonwage costs were approximately 20 percent. Discounting the $7076 by this 20 percent gives an estimated annual earnings figure of $5600 well below that calculated above for Title II enrollees and even further below that calculated for the Title VI enrollees. The $5600 is not much above the 1975 poverty level income but well below the annual earnings based on the $4.28 and the $4.44 wage cited above. A similar difference also holds for PEP. Using the annual cost per slot for PEP and discounting nonwage costs yields a figure of $4700 compared to the $5620 derived from the $2.81 PEP average wage. These differences seem to be due to the fact that the average wage figures provided by the City were unweighted by employment. Substantial differences in earnings existed among

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1. The PEP average covers a period of approximately 3½ years, while the PSE average covers approximately 1½ years. In real terms the differences would be smaller.

2. A city work week of 35 hours multiplied by 52 weeks.

PSE enrollees depending on the job held. The wage distribution of PEP enrollees probably was less dispersed.

PSE Jobs and Wage Rates

White collar jobs, including para-professional, accounted for half the PSE slots, and approximately one-third were blue collar jobs. Service jobs accounted for the remaining 18.3 percent. (See Table 5).

Using a skill-level grouping, unskilled blue collar and service jobs constituted a third of the slots: skilled blue collar jobs, just under 10 percent; clerical, 13.6 percent; and higher level white collar, almost one-fifth.

Compared to the composition of unemployment in the city, the allocation of slots disproportionately favored professional, technical and managerial workers, as well as service workers. Compared to their share of city unemployment, a disproportionately low amount went to clerical and blue collar workers; but unskilled manual workers received their share. Higher level white collar positions accounted for a disporportionately large number of slots compared to the occupational mix of the unemployed in the City of Boston. For example, blue collar workers were 50 percent or more of the insured unemployed at this time but had only a third of the slots.[1]

A comparison of the distribution of unemployment by City neighborhood with the allocation of slots to residents of the same neighborhoods suggests that the neighborhoods hardest hit by unemployment were underrepresented in the distribution of PSE jobs.

Table 6 classifies Boston's PSE slots by functions. These functions should reveal the actual priorities guiding the City in its use of Title II and Title VI funds. With broad eligibility criteria and DOL pressure to fill slots quickly, human and social needs did not receive the largest share.

Among such pressing city needs as education, health, crime prevention, including juvenile delinquency, and the rehabilitation of low income housing, only one, juvenile delinquency received a substantial percentage of PSE slots (11.8 percent). Well over 40 percent of the slots went to the maintenance of public buildings other than housing, or to parks and recreation. Some of

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1. City of Boston Manpower Administration, Comprehensive Manpower Plan Fiscal Year 1977, Boston, August 1976, pp. 75-77.

Table 5. Occupational Distribution of PSE Slots, Boston, Various Months, October 1974 - July 1975[a]

White Collar	Absolute	Percentage
Professional and Technical	216	11.4
Managerial and Administrative	93	4.9
Supervisory	51	2.7
Clerical and inspectors	256	13.6
Paraprofessional	331	17.5
Subtotal	947	50.1
Blue Collar		
Skilled	186	9.8
Construction	121	6.4
Other	65	3.4
Semiskilled	33	1.7
Unskilled	377	20.0
Subtotal	596	31.6
Service		
Unskilled	237	12.5
Other	109	5.8
Subtotal	346	18.3
Total	1889	100.0

[a]Title II data cover the nine month period October 1974-July 1975; Title VI data cover the six month period January 1975-July 1975.

Table 6. Distribution of PSE Slots by Functional Areas, Boston, 1974-75

Functional Areas	Number	Percent
I. Administrative Departments	157	8.3
II. Maintenance of Physical Plant and Resources		
(a) Parks & Recreation	279	14.7
(b) Public Facilities	232	12.3
(c) Public Works	172	9.1
(d) Public Housing	77	4.1
(e) Real Property	116	6.1
(f) Other	15	0.8
Subtotal	891	47.1
III. Protective Services (Police, Fire, Penal)	188	10.0
IV. Social and Human Services		
(a) YAC	223	11.8
(b) Schools and Library	77	4.0
(c) Housing Services	69	3.6
(d) Health and Hospitals	47	2.5
(e) Other	158	8.4
Subtotal	574	30.4
V. Boston 200 (Bicentennial Celebration)	80	4.2
Total	1890	100.0

these priorities can be attributed to the possible lack of eligible clients with the requisite human service skills or experience. Some might be attributed to the desire to beautify the city in anticipation of Bicentennial tourism, a source of income and employment. One can infer that priority was not given to the more critical needs, such as education, health and crime prevention.

PSE - DOL Relations

In late 1975, serious criticism and charges were publicly leveled at Boston for its administration of the PSE Program. By the fall of 1975 the regional DOL had become highly concerned that hiring was occurring much too slowly. Then, during the winter, Boston's "underground press", echoed promptly by the conventional press, publicized allegations about the ineligibility of enrollees and the biased nature of the selection process. This was the first public disclosure that a problem existed. The newspaper stories claimed that nonresidents of the City had been enrolled and that political favoritism and nepotism had determined referrals and hiring.

An extensive investigation by the RDOL followed. At the same time, the General Accounting Office (GAO) continued an investigation begun earlier, giving its findings to the Department of Justice. These were never made public. However, the regional DOL released a summary of its findings which did not vindicate the City administration. According to the RDOL, the administrative lapses ran the entire gamut of possibilities, from improper political activities to enrollee ineligibility and lack of maintenance of effort. It was difficult from this one report to determine the pervasiveness of the infractions, but this and other documents suggested that they had not been isolated instances. Probably favoritism, both political and personal, was the most common infraction, although it would be difficult to say what proportion of PSE enrollees was involved.

The irregularities had a number of causes. Some may have been beyond the City's control, but not all; the PEP/PSE office apparently lacked the authority to prevent them. There were two distinct problems: the hiring delay and the alleged maladministration. The two needed to be considered together because City administrators argued that the first was responsible for the second, and

that failure of the regional DOL to provide timely funding information had seriously contributed to both.[1] Since these aspects were interrelated, they will be discussed together.

The office responsible for administering PEP had the responsibility, initially at least, for administering PSE. It remained independent of the METAC and, in practice, of the BMA as well. The EEA program had operated successfully in many ways, but not without criticism by the regional DOL contained in a special staff report to the City. At the heart of this report was the question of political favoritism and slow hiring. However, aside from these criticisms the EEA program had functioned successfully and the EEA administrators continued along much the same successful operational lines. From their viewpoint, when PEP first appeared, they were not in a position to develop definite job slots in specific departments until the City was assured of the exact amount of PSE funds it would receive. Despite advance estimates of funding levels from the regional DOL, the PEP/PSE administrators did not feel free to develop a concrete program that would have committed themselves and City Departments.

In the spring and summer of 1974 the PEP/PSE staff seemed to be in a state of limbo. There was no explicit guidance from top City officials. This inattention was attributed in part to the preoccupation of the Mayor's office with the forthcoming desegregation of the public schools, which was to begin in the fall, as well as to preoccupation with the forthcoming mayorial election in November. Although the amount of PSE money allocated to the City was a small proportion of the total City budget, in absolute terms it was not small. It has been alleged that certain officials recognized the political potential of PSE. For example, at the lower levels of the City administration PSE enrollees were used, or asked to volunteer, for duties that had a two fold purpose, that of surveying citizens needs and that of reminding them that the Mayor was the person concerned with their needs.

The delay in hiring can be explained only partly by the intention of the PEP/PSE administrators to have a selection and hiring process that would give enough time to carefully matching applicant qualifications with slot require-

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1. The City also claimed that the DOL should have anticipated problems and did not provide clear, prompt interpretation of regulations. The case seemed more that the City did not like the interpretations given or had not taken them and other advice to heart.

ments. The goal was to satisfy department chiefs, as well as to make the best use of the new people and to treat them considerately. There also was a deliberate intent not to hire large numbers quickly only to have to terminate them early.

Other reasons were suggested for the delayed planning and hence the delayed hiring. The City administration had neglected earlier, perhaps inadvertently, to ask for City Council acceptance of the PEP allocation and was timorous about the Council's response when asked to accept the PSE funds, especially if Council members had patronage questions in mind. The constant pressure for swift action by the regional DOL did not help the PEP/PSE staff to establish an orderly, line procedure acceptable to administrators who were supplying slots. Nor was the PEP/PSE staff of sufficient size to handle a crash hiring program; a slower, more deliberate procedure had been envisaged. Additional staff had not been hired, even when funds were available to do so. The need to suddenly interview and refer a much larger number of applicants forced the PEP/PSE office to hastily borrow people from other departments. These conditions were not optimum for ensuring enrollee eligibility and impartial selction, especially when some of those helping were politically active individuals.

The PEP/PSE administrators were limited in their ability to impose selection standards on departments without the firm backing of high City officials. They also occupied an ambiguous position with respect to the City's personnel office, whose clearance was required when hiring personnel. This office had the reputation of making patronage decisions. Given their uncertain position and authority vis-a-vis regular line departments, and the City personnel office, the PEP/PSE administrators could not easily refuse an applicant who met the eligibility requirements but had been pre-selected by a department or had been referred by a private source, nor could they readily countermand a decision by the politically oriented personnel office. On the other hand, they also were unable to obtain the uninterrupted attention of City officials, because of more pressing municipal problems. In addition, the ability of PEP/PSE administrators to conduct an orderly well-represented selection process was not helped by the heavy influx of applicants resulting from the publicity in the press that the regional DOL had encouraged to spur hiring.

It was inevitable that City personnel in departments with PSE slots would have advance knowledge of them and would inform their friends and relatives.

The public pronouncements might have indirectly reinforced this informal dissemination of job information. Those least likely to be attracted by the newspapers were the disadvantaged and minorities. They might be less likely to read the papers than others or conclude that they did not have the same chance as others to be hired. But not to publicize the jobs would have ensured that these groups would have been automatically barred. Probably the best approach would have been to actively recruit from community organizations and reserve a certain number of slots for such referrals.

As previously observed, priority might have been given by the City to the provision of public services most likely to influence elections. The informal dissemination of job information and the emphasis on such public services probably meant that departments preferred enrollees who were capable and/or who were political assets. Consequently, it is questionable whether the disadvantaged could have received priority unless special provisions were made. EEA and PSE had the unstated dual goals of hiring the disadvantaged and of providing needed public services. EEA had given priority to the first goal, and Boston had satisfied it. Title VI, of course, had no requirement that the poor be hired. On the other hand, all Title II and Title VI enrollees could have been drawn from the poor. In Boston, all were not. Why they were not could be attributed to the factors discussed above and to the more permissive nature of CETA compared to EEA in terms of appropriate enrollees.

At the same time, those departments that were most responsive to hiring either the poor or the disadvantaged believed their missions to be vital and so sensitive that they wanted to exercise extreme care in selection. Some resorted to preselection or hired independently in order to ensure quality; they were apt to cream the disadvantaged, if they hired them at all.

In addition to the referral and hiring problems that beset the program, there remained two potentially conflicting goals: (1) employ a substantial proportion of the long-term unemployed and the disadvantaged, or at least those with poor labor market prospects, and (2) provide important municipal services. These two objectives were to be achieved in a loose labor market in which experienced, competent workers would be available, and in a labor market in which the salaries of City jobs were on the high side of the local wage structure. Acceptance by City departments of Title II disadvantaged enrollees had been eased by favorable EEA experience, but not always by departments that did not provide direct human services. Traditional city departments

preferred applicants with the appropriate work experience and educational credentials. Despite substantial monies assigned in the budget for training, few clients either received adequate on-the-job training to acquire marketable skills, or willingly took advantage of the opportunity available to acquire them formally.

Finally, a problem that arose in PEP and continued in PSE was the reluctance of enrollees to voluntarily leave the program for another job. Their public job was likely to offer a higher salary and less arduous work than was likely in the private sector. The PEP/PSE staff also realized from its EEA experience that the City lacked close ties with business and lacked enough job development expertise to place enrollees. Because of this, the United Automobile Workers Union (UAW) was subcontracted to handle placements. The UAW had bargaining contracts in area metal working establishments that were seeking individuals to fill machine tool operator-set-up man vacancies.[1] Some of the placement problems faced by PSE could be attributed to the reluctance of private employers to hire individuals accustomed to a higher wage and a steady, less demanding job. Employers also were inclined, reportedly, to assume that the productivity of City workers was lower than that of their counterparts in private industry.

The DES was not used because it was doubted that it could provide the same amount and kind of counseling that the PEP/PSE staff in conjunction with the UAW could provide. More importantly, it was doubted that DES had the same kind of personal relations with employers, and of course it lacked the on-the-job support and leverage of the UAW.

The failure to develop referral links in advance, as discussed previously, contributed to crash hiring. It is difficult to understand why City administrators had failed to plan in advance, after experiencing similar Federal hiring pressures under PEP. Once crash hiring began, neither the City nor community agencies could have been expected to have been adequately prepared if their preparations had begun that late.

The DOL had alerted the City before that summer that a considerable amount of money would be coming, even though the exact amount was not known. Without specific dollar allocations and specific slot levels PEP/PSE

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1. Despite loose labor market conditions, the machine trades have had supply "shortages".

administrators seemed to feel that it would be difficult to negotiate for definite numbers of positions with department heads. In their view, the Congressional budgetary process did not make it easy for the City to prepare in advance. Still, the process did not preclude advance planning; in fact, having had one experience with the unpredictability of Federal budgeting it would have been prudent to have anticipated a repetition and begin planning early.

The infractions seemed to stem from the lack of reasonable safeguards to assure impartiality in referral and hiring or in enrollee eligibility. The results could have been anticipated, namely, hiring tainted by favoritism, whether political or personal; enrollees unqualified in terms of residency, length of employment, or labor force status, and less than a desirable distribution of enrollees in terms of City neighborhoods or ethnicity and sex. During the winter, when hiring accelerated, the original PEP/PSE staff apparently was not in control. Lines of authority were murky. Individuals closely associated with City political activities were in strategic positions in the selection and referral process. In some cases, agencies within the Mayor's offices either preselected enrollees or hired them independently of the PEP/PSE office. One cannot easily escape the conclusion that the City waited until challenged before installing the administrative procedures required. In the interim, it allowed the natural course of events to occur, which meant hiring by a variety of traditional, informal routes that are part of the political process. If from the start, it had been clear that PSE fell within the control of the METAC, it is possible that the potential publicity might have led to different results.

Once crash hiring began there was little that could be done to prevent the consequences, or to determine easily who or what was responsible for administrative failings. However, crash hiring could have been anticipated and appropriate plans made.

Obviously, mutual distrust between the DOL and city administrators that ensued did not help solve the problems that did arise in the implementation of Title II and Title VI in their first year. In fact, the regional DOL found the City uncooperative, even obstructive, during the former's investigation of the alleged maladministration.

PSE Fund Allocations

When the exact allocations finally came, the regional DOL insisted that

the money be spent quickly, threatening that funds not spent by the end of FY 1975 would be lost. In the three months from July to October 1974, the City received both its FY 1974 Title II monies, amounting to 3.2 million dollars and its FY 1975 Title II monies, amounting to 3.7 million dollars, a total of 6.9 million. This money was supposed to have been exhausted by the end of June 1975. At the same time Title VI money was available, although the City, already flooded with Title II PSE funds, did not submit a grant modification for the final 8.8 million dollars of its Title VI money until December of 1975. The City thought that Title VI funds, amounting to 14.5 million dollars, had to be spent in 13 months, starting January 1975. Fiscal year 1974 to 1976 PSE allocations are presented below:

	Title II	Title VI
FY 1974		
Base	$2,238,200	-
Discretionary	996,403	-
Total	3,234,603	-
FY 1975		
Base	$2,382,085	-
Discretionary	1,330,900	-
Total	3,712,985	-
FY 1976		
Base	$1,155,403	$12,564,349
Discretionary	920,698	1,910,193
Total	2,076,101	14,474,532
Total 1974-76	$9,023,689	$14,474,532

Total PSE Funds: $23,498,221

The City had wanted to avoid crash hiring and the rapid enrollment of large numbers of people who would have to be laid off in less than a year because of the rapid expenditures of funds. Understandably, the City was afraid that it would have to make large scale layoffs shortly before an election. Irrespective of the election, hiring large numbers for a short time is not necessarily a wise practice.

Fortunately, by the spring of 1975, the DOL recommended that hiring stop because of the likelihood of cuts in PSE funding in the next fiscal year. Indeed, for FY 1976, Boston received Title II funds of 2.1 million dollars, 1.7 million less than the prior fiscal year. However, there were 14.5 million

Title VI dollars to be spent between January 1976 and February 1977. There was, in essence, a great deal of confusion regarding future funding.

That there existed a great deal of friction between the regional DOL and PEP/PSE administrators was evident. The RDOL's inability to provide precise dollar figures in advance and its position on hiring created suspicion about motives. The City administration became convinced that the RDOL intentionally was trying to embarrass it to prove the failure of decentralization. The City was particularly offended that a potentially damaging hiring pattern should have been required during a local election year. The neutrality of the Federal government was doubted.

By the fall of 1974, there had been a large number of Title II hires; by the middle of November 1975, all of the three fiscal years of Title II monies had been spent. By December 1975 most of the enrollees had been transferred to Title VI, since so little of this money had been used. At the time the City had approximately 20,000 municipal employees; the 1500 PSE enrollees hired within a period of a few months represented 7.5 percent of the existing municipal staff. The rate of absorption, if we assume that this hiring had all occurred in a three-month period, would have amounted to over 25 percent on an annual basis. So rapid an expansion would have created difficulties even with the best of planning.

New Developments in PSE

It was not until later that functional areas outside of the city government were considered. When additional Title II money was received to be spent in a six-month period in FY 1976, CETA-II administrators decided to allocate the additional slots to non-profit agencies. Proposal requests were distributed and selected by an elaborate procedure to achieve objectivity. The regional DOL refused to release the money to the City until it was assured that the selection of enrollees would be free of all the earlier charges of nepotism, patronage, and ineligibility that had tarnished PSE in 1975. At first the regional DOL recommended that an agency other than the City be solely responsible for recruitment, referral, and enrollment. Negotiations between regional office and the City left the selection and referral process in the hands of the City, but following procedures that insured impartiality.

Why did the City decide to allocate slots to private agencies? First, there had been constant pressure from members of METAC and private non-profit

agencies for slots. Second, the program length was short and hence costly in terms of initial processing and training, and third, the City was finding it difficult to digest PSE enrollees and then to place them in unsubsidized jobs. Finally, placements in private agencies meant that more people could be hired because their wages were lower than the City's for comparable work.

Postscript

It is always difficult to decide when to call a halt to field work when studying a continually changing set of institutions. Since the official end of our fact gathering (spring 1976), certain developments have occurred that may be harbingers of the future, and not passing fads. At a minimum, these developments represent a searching for different, more effective approaches. They are cited without trying to seriously assess their significance or draw conclusions. They probably should be seen as heavy straws in a strong wind.

Fiscal Year 1976-77 saw plans to establish a new vocational educational facility in a rehabilitated building in the former Boston Naval Shipyard Annex intended to be converted to an industrial park. The facility is to be maintained by a quasi-independent City agency, with the courses subcontracted to private nonprofit technical schools and, among other things, train workers for plants attracted to the park. In a racially neutral zone and accessible by public transportation to low income white neighborhoods close to Boston's downtown section, the Annex probably will become the major training resource for poor whites of South Boston, Charlestown, and the North End.

There were centrifugal developments as well. All youth programs funded by CETA, including the summer program, will be supervised and monitored for the BMA by a special unit in the City's Youth Activities Commission. Next, CETA money will underwrite a one-year certified LPN program administered by Boston City Hospital (BCH) and formerly financed entirely by the City. This program, in existence for many years, has achieved national recognition. With CETA funding, the BCH-LPN program will be enrolling poor clients and its student body will include relatively more minorities.

The feminist thrust begun by the METAC's Women's Committee continued, in FY 1976-77, in the form of a one-year contract to the City's YWCA to conduct a training program to prepare low income and minority females, for "nontraditional" occupations, that is, male dominated skilled trades and craftsmen jobs. The YWCA, it will be noted, had been a serious contender in

the prior year for a unique experiment to educate BMA staff, contractor staff, and METAC members about equal job opportunities for women and other minorities.

If any change in policy has occurred, it has not been so much in terms of long run planning or long range strategy,[1] but more in terms of political control; that is, the City direction seems to be to fill more of the staff positions with City employees, to control programs more directly, and possibly to provide services itself. Theree seems no inclination to increase the role of the traditional community based agencies. This has been accompanied by the appointment of minority members with community reputations to high positions in the City administration and giving them responsibility for employment and training affairs. The new appointees are persons whose careers began with community agencies and who have had extensive experience with manpower and equal employment matters. The evidence seems to suggest that the City administration is beginning to assume some of the manpower authority of community agencies.

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1. Although short run planning by the BMA appears installed.

V

SUMMARY AND CONCLUSIONS

CETA had been in existence for slightly over three years when our field work ended; however in practice the new law became fully operational only in the 12 to 18 months prior to the end of our research. Time was needed by the prime sponsor to establish a functioning employment and training administration. Time had to elapse to allow any local changes to become effective. One can question the merits of judging the efficacy of CETA after the brief exposure of a year or a year and a half. It is the long term consequences of an evolving system that should be the object of study. Eighteen months may be too short a time to expect any significant changes in a complex manpower system, let alone changes leading to clear-cut identifiable results. What can be discovered in such a short period is the direction of change.

Other caveats should be heeded. During most of the time that CETA was in operation in Boston, labor market conditions were loose. Unemployment was either rising or high, despite a net increase in employment (1971-1975). The cyclical downtown in 1974 was superimposed upon long run structural changes that were not especially benign for manpower programs. The City's economy increasingly offered two kinds of jobs, those at the top of the occupational structure that required high levels of education and sophisticated skills, and those at the bottom, in low level service work. The number of blue collar jobs was falling. The growth in clerical jobs provided opportunities that were at least semi-skilled, but even here there were limitations because of the lack of growth gains in the government sector. There also was a net population loss accompanied by a relative increase in the number of minority persons. In view of these economic considerations and time limitations, one could anticipate only peripheral changes and only hints of future potential and trends.

Were the CETA goals of decentralization and decategorization realized in Boston? Did CETA lead to programs that better reflected local priorities? Did it lead to more effective, better coordinated activities? Did it open the decision making process to local groups involved in, or recipients of, the services of these programs?

Special Features of the Boston Manpower System

When CETA came into being, the City of Boston already had a diversified, well-rooted structure of manpower agencies and programs, created under the EOA and MDTA, and later the EEA. There were three prominent manpower agencies, two with strong ties to the community. One of these was ABCD, a CAP agency responsible for the City's CEP as well as other manpower programs. The other community agency, OIC, was more than a local institution; it was an established link in a respected national organization.

In addition to these two community agencies there also existed a flourishing, but perhaps controversial, MDTA multi-skill center operated by the quasi-independent school department. Finally, the PEP program, in operation since Fall 1971 was administered independently by the City government. Links between it and the other programs did not develop, despite pressure from the DOL.

The imposition of a CETA prime sponsor on this flourishing system of formidable agencies was not particularly welcomed by them. Rather, it was viewed with considerable misgivings, suspicion, and injured pride by community groups. They say the prime sponsorship as offering the City government an opportunity for a takeover and, if this occurred, a displacement of agency leaders by those with political loyalties to City Hall. Superimposed on this scene was the anticipation, because of the Title I allocation formula, of a steady decline in funding that would discourage innovation and would lead to the opposition of new programs and agencies. The circumstances were not ideal for launching a new manpower system that sought to encourage flexibility and interagency cooperation. If the funding prospects had been the reverse, perhaps a much different story would have unfolded. Given the bleak money prospects, most of the energies of agency administrators were devoted to maintaining their existing level of operations. Agencies concentrated attention on getting their share of the funds, and this diverted administrators from other goals.

To some extent the manpower network in Boston was a semi-segregated one, particularly for adults. One of the key manpower agencies, OIC, was and still is a grassroots minority organization in a nonwhite area of the City; the other key agency, ABCD, was overall multi-racial, in terms of clients and staff, but had a number of training and recruiting sites in racially homogeneous neighborhoods. One of the two facilities of the multi-skill center had

a high proportion of white trainees and was in a white working-class neighborhood; the other site was multi-racial. Most of the pre-CETA recruiting and placement structure was operated by ABCD and a major part financed by OEO and after CETA by CSA. The bulk of this part of the manpower system remained outside the jurisdiction of the prime sponsor; however like total manpower funding, CSA funding also was declining.

Much of the initial manpower policy and direction was left to the BMA to develop and articulate. There was no obvious position or policy role defined at the Mayor's level, although there were signs of a more active mayoral role later.

This mutual passivity was both an advantage and disadvantage to the BMA. Although the BMA had considerable latitude, it did not know the extent to which it could depend on higher level support if an existing agency became uncooperative. The impression is that the Mayor's office took a hands-off policy provided there were no politically embarrassing conflicts. The exception was control of PSE; this remained within the City Administration. The Manpower Administrator of Title I programs also had a self-imposed limitation, the Advisory Council, whose role he had encouraged and helped develop, in accord with CETA injunctions, and whose influence grew over time. Initially, determination of priority groups and the acceptance of programs and agencies were his to propose in cooperation with his staff; circumscribed, of course, by the strength of the established institutions. In reality, given the presumptions of CETA and the envisaged role of the Advisory Council, he had little room for maneuver with respect to client groups and types of programs. As noted earlier, council business preempted the time of agency administrators, and innovation took second place to the problems of funding.

Summary of CETA Title I

One result of CETA was the continuing development of the participatory process in employment and training decision making, reflected in the Advisory Council. This Council has flourished in Boston because of active encouragement by the regional ETA and the BMA, because of the availability of concerned and interested individuals, and because of the presence of organized client groups and agencies. The Advisory Council, because of its open participatory process, attracted agencies who were suffering funding reversals and allowed them to have a role in the planning process. The active participation was no

doubt encouraged by the willingness of the Manpower Administrator to accept its decisions. The Mayor, whose political position did not depend on the support of these particular marginal groups, let their recommendations stand. However, the influence of the Council reflected more than official encouragement and its consequences. The Council also filled, to some degree, a gap left by the early administrative weaknesses of the BMA that prevented effective planning.

A serious deficiency in both pre-CETA and post-CETA days was the lack of systematic, coordinated short run planning and the absence of long run planning. Planning was done, but only on an erratic, spotty, short run basis. Some of of this could be attributed to the fact that after CETA was implemented, funding remained on an annual basis which precluded serious planning for longer than one year. In addition, the hold-harmless formula stifled any initiative to be innovative and put a premium on maintaining the status quo.

Some of this lack of planning could also be attributed to the administrative disarray within the BMA itself. Its key officials had to devote so much of their attention to internal matters and the development of information systems that little time was left for planning. Moreover, without reliable and current information, planning could not have been seriously undertaken. However the lack of information extended beyond the City. Readily usable and adequate labor market data were either scarce, dated or both. Coordinated manpower planning is not inherent in local government. It certainly is not in the forefront of the thinking of municipal officials or federal administrators either. Administrative matters and short run budgeting permeate the manpower system, beginning at the national level. There thus remains a serious obstacle to effective, detailed planning beyond the control of the local manpower system, namely, the uncertainty about exact funding because of the Congressional budgetary process and because of CETA's discretionary funds. Establishing long range goals would undoubtedly make long range planning more feasible.

In FY 1976, in preparation for the FY 1977 Plan, more thorough and more raticnal shortrun planning on a realistic basis appeared probably motivated by the realization that a reduction in the level of operations could no longer be postponed. Resources were allocated to basic priority groups in proportion to their share of the universe of need. Both the BMA staff and the committees of METAC were participants in the decision making process that determined where the cuts were to be made. However, this was shortrun planning, whose main

consideration was devising a viable budget, and it certainly was not long range planning.

The intervention of a Federal court in the manpower system probably resulted in the most drastic change. The court ruled, in effect, that the resources that were being used principally for adults in the former MDTA multi-skill training center be transferred to high school dropouts as part of the court's school desegregation plan. The operational costs had been financed by CETA 112 funds, while prime sponsor funds were to provide the stipends. The effect of this intervention was twofold. First, a substantial proportion of the resources were removed from the direct control of the METAC and the prime sponsor, and second, funds were diverted from adults to youth.

In addition to these major changes, the program and administrative roles of the DES also have declined. The program diminution began before CETA but was accelerated by it. The decline of DES' administrative role was primarily a result of CETA. Furthermore, the development of the Assessment Centers can be directly attributed to CETA.

CETA was also associated with other developments, which are only itemized here because they have already been discussed in detail. (1) A minority controlled job placement program to employ minorities in construction was substituted for an industry administered area-wide training program in that industry. (2) A substantial reduction of OJT was made, and this money and lag money was diverted to placement activities for special groups (i.e., older workers, substance abusers and ex-offenders), and (3) lag money also financed an experimental program devised to institutionalize equal employment opportunities for women employees of the BMA and its contractors and their enrollees.

However, CETA created few, if any, incentives for agencies to cooperate in providing services. CETA also accepted the continuance of parochialism. For example, implicit in CETA is the definition of the labor market as the political jurisdiction of the prime sponsor. This was mirrored in the METAC's unwillingness to contract with agencies outside the prime sponsor's jurisdiction. CETA also allowed, if the prime sponsor so desired, creaming of the disadvantaged, because of the leeway given prime sponsors to determine program objectives and income eligibility. CETA probably has led to an increase in administrative costs relative to operational costs because of an increase in the number of administrative units and agencies and the subsequent loss of economies of scale and specialization.

Finally, after much initial delay and many administrative obstacles the BMA created a management information system, soon to be automated, that is furnishing the program data essential for planning. The BMA also initiated an independent follow-up survey whose intent was to assess the longer run effects of different programs for different clientele. Previously, follow-up had been an agency responsibility whose validity was always suspect and which was not used to rationally allocate resources or to do longitudinal analysis taking into account local labor conditions and program characteristics.

Boston took advantage of the ability provided by CETA to take a comprehensive look at the local universe of need and to choose local priority groups that included those least likely to succeed in the labor market; namely, the unskilled, the poorly educated, the chronically unemployed, minorities, and various other groups with employment problems. To its credit, the Boston prime sponsor, despite the creaming possibilities opened by CETA, chose to serve in its Title I program the economically disadvantaged, and groups discriminated against in the labor market or otherwise poorly served by it. This was a continuation of the pre-CETA focus.

CETA also makes possible coordination of clients and services, the prevention of duplication of effort, and the promotion of agency and program specialization based on prior experience with different groups. In this area, Boston has not been able to exploit the potential of CETA. Noticeably greater interagency coordination has not developed. Assessment Centers were established to control the flow of enrollees from initial intake points (the NECs) to programs, in order to avoid excessive holding, maximize enrollments, and improve the match between clients and services. It is not obvious that matching has improved much compared to pre-CETA days, when CEP was the main coordinating mechanism but limited to ABCD and its subcontractors. In theory, the Assessment Centers can assign enrollees to the most suitable program irrespective of agency. In practice each agency has probably placed priority on filling its own slots with applicants it prefers.

If duplication of effort means unused slots because two or more programs provide the same services for a limited clientele, such a luxury has not existed in Boston. If duplication means that combining two or more such programs would reduce costs, then CETA has led to some retrogression. Greater specialization has occurred to some extent but accompanied by some loss in efficiencies of scale. In any case, gains and losses associated with less or

more duplication or with less or more specialization appears to be small.

Finally the extraordinary difficulties in creating and directing an effective manpower staff free of political consideration may be academic to decentralization.

One last conclusion, based on our limited Boston experience, is that in cities with mixed racial, socio-economic groups, local political decisions may not favor the poor. The poor still may not be in the mainstream of the local political process. Consequently, making manpower policy a function of that process quite possibly leads to priorities based on need other than the needs of the disadvantaged. In Boston, strong community agencies created or supported by EOA, have been main proponents of the poor and of minorities in manpower decisions, and have been a key factor in maintaining the openness of the process. Programs and clients have not changed significantly in comparison with the pre-CETA period.

Summary of PSE

The personal characteristics and economic status of PSE and of Title I enrollees were much different. Title I enrollees were younger and less educated, and much more likely to be ethnic minorities or females. All were poor, in contrast to only a minority of PSE enrollees.

Contrary to the intent of Title II, there were only slight differences to distringuish Title II from Title VI clients. Only some of this homogeneity was due to the large scale switching of enrollees between Titles as different funds became available or had to be spent. The objective was to avoid early termination. As one progresses from Title I to Title II and then to Title VI, enrollees were more likely to be males, better educated, white and in higher income groups. As the economic climate worsened the direction of manpower efforts shifted from helping the poor and minorities to maintaining the income of those in the mainstream of the labor force.

Little, if any, formal training occurred under PSE. The clients performed important but not necessarily vital services, and the work reflected the city administration's priorities. The scope of the work was limited by the skills of the clients, the transitional nature of the jobs, and departmental vying for enrollees. Nevertheless, certain PSE activities involved critical human services and had innovative features. The METAC planning procedures never became responsible for PSE. Title I programs were rarely coordinated with PSE,

although PSE money did finance certain Title I work experience programs. Finally, public and then official criticism of hiring irregularities and delays forced a change in hiring procedure, as well as improvements in the assignment of enrollees. The main impact of the METAC was to focus attention on the limited participation in PSE of women and minorities, and to induce corrective action, although by then too late to permit major reform.

Responsibility for some of the hiring problems have to be shared by the city and the federal government. Both the city and the regional office were the victims of pressures and limited information over which they had no control. As a result the regional office could not provide adequate help. Furthermore, at a critical time, for unclear reasons, the city failed to provide explicit direction or give firm support to the PEP/PSE administration.

It is difficult to say whether the main effect of PSE was to provide municipal services or to provide income to the unemployed. This does not mean these two goals are inconsistent. However, it can be said that the conflict between making the unskilled and the poor more employable and the provision of vital public services efficiently was not solved.

Were worthwhile municipal services provided that probably would not have been without PSE money? Unquestionably yes. As a result there was probably a net addition of jobs, chiefly in the first fiscal year.

If the purpose of Titles II and VI was to provide, in the shortrun, transitional employment, leading to permanent unsubsidized jobs, PSE probably failed for various reasons. Labor market condition remained poor. The city was trying to reduce its employment, enrollees most in need of formal training did not receive it, and the city had few links to private industry for effective placement. PSE was an income maintenance program that contained an effective work element, but there is no evidence on whether the employability of clients, once terminated, has improved. Perhaps Titles II and VI had no other purpose but to provide counter-cyclical public service employment.

Attainment of Decategorization and Decentralization

Were the main goals of CETA realized in Boston? Decentralization was achieved, as shown by the growth in the influence of the METAC. This was partly intentional and partly unintentional. The unintentioned part was due to the weakness of the BMA staff and its initial failure to create effective information and control systems. However METAC's ability to initiate planning

or to provide meaningful monitoring and evaluation has been limited. The planning function probably will remain underdeveloped because of structural reasons. The monitoring and evaluation responsibilities can develop with proper staff support. The METAC is still a body that primarily reacts to staff recommendations because the staff controls the flow of information.

Decategorization, however, had little impact, if by decategorization is meant the creation of new programs for different kinds of clients. To some degree, this is to the credit of the BMA. The City's pre-CETA programs, especially the community one, had served the poor and minorities. CETA Title I programs continued this focus, not by Federal government mandate but by voluntary action of the city.

Few fundamental changes were made in programs or agencies, and one of these changes was imposed from outside the system by the Federal Judiciary, seeking to desegregate the local school system. The lack of program innovation or acceptance of newcomers was due to the cut in Title I funding, to the important role of agencies on the METAC, and to the maturing of the vital manpower agencies created in the 1960's. These manpower agencies never had a realistic choice of investing heavily in relatively few enrollees or meagerly in many. They began in the latter direction; the expanding labor markets of the second half of the 1960's probably allowed this (or concealed its weakness). CETA's budget cuts, however, came in the deteriorating labor markets of the 1970's when more not fewer people needed help.

CETA did open the system to new agencies and programs but the effect was limited in terms of their size, services, and clients. The resources allocated to the newcomers were a small portion of the total allocation, and most of the programs were not unique in concept or design. The decision making process became more open but the prime actors or initiators were the agencies and the BMA, not the clients or the METAC. Nevertheless the METAC did force the city to keep the METAC informed about PSE operations and to modify them to some extent.

Decategorization was not relevant for PSE, which tended, in Boston to remain for political reasons independent of Title I activities and its decision making procedures. PSE, a heavily funded Washington created program, shifted the emphasis of the manpower activities both in terms of resources and services. Local prime sponsors could have used Title II money for Title I activities. This occurred in Boston but only in a limited way, when PSE

money funded new careers and adult work experience to help compensate for the drop in Title I funding. PSE did not serve the same population group as Title I. Title I's clients continued to be those with serious labor market disadvantages; Titles II and VI helped those with either fewer or none of these handicaps.

The interchange of views that METAC has facilitated probably has produced better decisions than would have occurred in its absence. However, the value of these decisions is difficult to assess if one tries to see them translated into better and more coordinated programs. It cannot be said unequivocally that the immense amount of time and energy devoted to the METAC process has led to programs that are strikingly different or superior to those existing before CETA. The amount of resources devoted to administrative activities probably is higher, even if the pre-CETA organization of the RDOL is considered. CETA directly and indirectly has meant more resources, tangible and intangible, spent on other than direct resources to clients. It is not easy to show commensurate gains in improved services or better administered programs.

It is possible that the regional office of the ETA, with the same number of people and the same money spent, would have done as well as, if not better than, the BMA during the same period. There are three main reasons for this suggested possibility. First, the Regional ETA was an established, functioning organization with experienced personnel. Second, in general the regional staff dealing with Boston seemed better educated and more qualified than the prime sponsor's staff. And third, the ETA did not face the same local political constraints in making decisions, particularly those involved with staffing.

The regional office would have had to open with the same interagency rivalries and the same reluctance of program operators to supply information. However, because of technical skills alone, the regional office staff probably could have more quickly established workable management information and financial management systems.

VI

RECOMMENDATIONS

The following recommendations are based upon our observations in Boston alone. The recommendations are arranged in three categories. The first are general in nature, the second are recommendations related to specific kinds of programs, and the third to specific activities that cut across programs. It may be noted that some recommendations involve changes in legislation, some involve changes or considerations for the prime sponsor, and others involve changes or considerations for the Regional Office of ETA.

General

(1) If severe manpower problems are concentrated in older central cities, a distribution formula that reduces their manpower funds is not conducive to innovative, coordinated programs that better serve poor people.

The distribution formula should be based primarily on a prime sponsor's proportionate share of all poor persons 16 to 64 years of age. Programs are not for those out of the labor force, and inclusion of those persons 65 and over would likely favor suburbs over central cities. The current distribution formula does not refer to poor persons 16 and over but to low income adults; moreover, their weight in the formula is a meager 12.5 percent. A weight of at least 50% to an area's share of the poor would be more appropriate. No weight should be given to the prior year's allocation except as a minimum guarantee to each area. The lower age of 16 recognizes the high proportion of young people in the poor population, and the necessity of preventing their becoming members of a chronically underprivileged alienated group. The remainder of the distribution formula can be based on deviations of an area's unemployment rate from the average for the nation.

It will be noted that this formula ignores the incidence of poverty in an area. To take account of this factor, an area should be guaranteed a minimum allocation per poor person 16 and over. The exact amount should be based upon the prior year's allocation per poor person 16 and over in the country as a whole.

Our formula and existing ones made no concession to changes in the price level. To be consistent with a basic guarantee per person or area, all money allocations should be adjusted to a real basis.

(2) If increased employability, self-sufficiency and self-respect is directly dependent on the resources invested in people, the amount available per enrollee has been parsimonious. Moreover, a substantial portion of manpower funds are not human capital investment, but stipends, or work experience wages, which are income maintenance transfers. This vital distinction is ignored in reporting manpower allocations. The real cost of training should omit stipends, in order to isolate the amounts invested in services that enhance employability.

OJT wages, as well as work experience wages, incorporate both investments and income maintenance. The exact division between the two might be delineated by assuming that only payments above some fraction of the minimum wage constitute direct investment. The fraction might be one that derives an amount equal to the per capita poverty level income. The income maintenance portion of ETA funds might more appropriately come from the HEW budget.

(3) The amount of money spent per enrollee for classroom training alone, excluding stipends was approximately $450. This amount represents a negligible proportion of the total amount that would have been spent on an individual's education if he had completed high school. It is unreasonable to expect this small manpower investment to compensate for the failure of the educational system in Boston and in other areas from which persons migrated (e.g., Puerto Rico). If the educational system were made accountable by having to finance its share of manpower costs, a powerful incentive might exist to prevent the problems the manpower system must solve.

(4) The success of the strategy of short preparation to achieve entry level job readiness still has to be validated especially for males. Unpublished data for Boston suggests that this strategy may have had limited success for females, especially minority females, because it to some degree upgraded their occupational status and possibly raised their annual earnings. However, their new earnings averaged not much more than $500 a year above the official 1976 poverty level of $5500 for a four-member family. Nonetheless, the limited investment per person could hardly lead to a much better gain.

(5) When the labor market is loose and jobs scarce, programs should be lengthened and training intensified because, from society's viewpoint, the opportunity costs are negligible. Manpower funding and budgeting, however, does not respond quickly to economic conditions. A distribution formula taking into account deviations in excessive unemployment would be unsuitable because

an area's primary allocation (see point (1) above) would be based on unemployment as of a given time period in the past. The allocation to take account of rising unemployment would have to be based on more current changes in unemployment and would have to be in addition to the primary amount. As unemployment falls additional funds would be halted so that additional enrollments and/or the lengthening of programs would stop. It would be programmatically unsound to reduce funds in order to shorten programs or terminate enrollees prematurely, except where legitimate job placements were made prior to an individual's completing a program.

The additional funding should go to Title I or II programs. Of course Title VI made additional funds available as unemployment rose, not to manpower training programs but to PSE, which in Boston did not serve the same clientele as Title I programs. If Title II programs were required to enroll only poor people, additional Title II funds would go to those most needing help.

(6) One-year contracts encourage shortrun goals and shortrun tactics, not longrun planning and longrun strategy. They also encourage shortrun programs that are likely to lead to placements in the secondary labor market or placements in jobs with few promotion opportunities. A big step in the direction of longer range planning would be to fund agencies and/or programs longer than 12 months. This could be done on a selective experimental basis to start. Such programs should be open-ended to permit adjustment to changing labor market conditions.

(7) The advantages of decategorization and decentralization might be achieved by various prime sponsorship concepts or models. For example, the regional ETA could serve as a prime sponsor for a cohesive labor market area and have a representative advisory council. The ETA would be responsible for both Title I and PSE programs. The ETA staff would be less vulnerable to local political pressures. It also is more likely to include professionals with a longer run dedication to manpower affairs than the more transitory city personnel. Some administrative economies of scale also would be achieved. There would be a more extensive labor market area for coordinate job creation and job placement. A regional or subregional approach would minimize many of the political and institutional considerations that handicap a more rational administration of Title I programs.

Funding would continue to be allocated to existing prime sponsor areas. Council members would be drawn from agencies, institutions, and local

governments in proportion to the funds given to each prime sponsor. The current regulations about the distribution of members and their voting rights could continue.

A Federal prime sponsorship is not the only alternative. Another form of decentralization would be local ETAs independent of local authorities. Such ETAs could be modeled after independent transit or turnpike authorities, but without their own source of funds. An advisory council could serve in the place of a Board of Trustees.

(8) DOL approval of annual Title I plans should include, as a criterion, evidence of long-run planning. A review of long-run industry and occupational trends and an explanation of how programs reflect these should be required. Furthermore, an explicit exhibit of the rational selection of alternative programs based on past performance and costs should be presented in order to justify why one program is preferred to another.

(9) Assuming that the current pattern of prime sponsorship remains, prime sponsors should have the authority to determine, within standards established by the Federal government, the qualifications of the contractor's staff in order to in order to insure that program administrators have appropriate technical and managerial skills. Where existing staff lack such qualifications, resources should be provided to correct this deficiency with mandatory training and education, and with on-the-job guidance. The MTI of the regional office has helped remove such gaps. In addition, however, regular courses at the post-high school level are needed in such topics as budgeting, personnel administration, counseling, labor market and human resource economics, and job development.

In turn, the Federal government should set guidelines for the qualifications of the staff of prime sponsors. There is a twofold objective here. The first is the hiring of the individuals with the necessary technical skills or experiences. The other is to prevent purely political hires. The guidelines might include a formal preparation in manpower programs and planning a substantial record of accomplishment as a manpower administrator.

(10) The openness of the CETA advisory council in Boston has made the BMA the target for groups frustrated by the failure or inability of appropriate Federal, state and municipal bodies to help meet justifiable demands of these groups for equal opportunities in employment. In effect, the BMA has had to be much more than an agency responsible for planning and overseeing the administration of employment andtraining programs. It also has been asked to spearhead changes in social policy not necessarily endorsed by institutions whose

cooperation is vital for successful placement. Determining the effectiveness of the Boston CETA has to take this special responsibility into account.

(11) The participatory process requires very strong and sustained administrative support to be effective. For the advisory council to provide meaningful input it should have its own independent staff. Furthermore, if the staff is to be completely independent, it needs to be separately funded.

(12) Evaluation systems of different prime sponsors should have enough common features for an adequate comparison. For example, definition of such things as types of terminations, participants, and retention should be comparable. Explicit measures used to determine success and weight given by all prime sponsors to these measures should be made available. In addition, all evaluation systems must take into account job quality as well as educational placement, and not simply job placement. Regular, systematic communication between prime sponsors on technical information and experience should be created.

Specific Kinds of Programs

(13) As a result of CETA, some of the slots in the in-school youth program achieved a continuity and an integration between work experience and education that had been lacking previously. To be meaningful, both the regular and summer youth programs should provide a cumulative experience for youth, so that the same individuals move progressively from one work experience to another. This preferably should be combined with schooling so that the youths benefit from a career orientated program.

Enrollees of the in-school youth program should remain in it during the summer. In-school positions should be developed with the idea that they would be available when school closes. The large summer program probably cannot be dropped. However, its administration would be improved if prime sponsors and agencies could depend on the same or similar spending levels each year, with a change occurring gradually, say by annual increments (or decrements) of 10 or 15 percent.

(14) The out-of-school youth program should have multiple goals. It should be a substitute for school, so that a youth is ready to enter the labor market or continue his education at "graduate" age. It should also impart vocational skills and work discipline. The multiple goal approach is desirable, provided that it is realized that the same goal is not suitable for all enrollees and furthermore that the means are available to match enrollee

needs with specific goals. Irrespective of the specific goal, a youth should remain in the program until he reaches the age at which young people normally enter the full-time labor force. The measure of success should not be the placement rate alone but the proportion kept until this "graduation" age and then job placed or enrolled in school (or another suitable program).

(15) The priority of the multiple goals of PSE should be specified either by the Federal government or by the prime sponsor. The kinds of individuals to be helped depend on the program objectives. The program can be designed to improve employability, provide jobs (that is, maintain income) and/or provide important public services at a reasonable cost. Through our Boston experience, we have found that these objectives are not all mutually compatible, and furthermore specific program components would not be the same in all cases.

This questionable value of PSE as currently constituted, is just one more example from a program that has conflicting goals. Title VI probably should not be part of CETA. Title VI is an employment program for those without serious labor market problems, other than the high rate of unemployment in an area. However, there is a place for Title II in CETA, provided Title II serves only its economically disadvantaged and has specific links with Title I programs. If these links can not be established then all Title II funds should be made available for Title I programs.

(16) OJT should be confined to the primary labor market and should be closely supervised by the prime sponsor. One way to distinguish between a primary and a secondary employer would be the average wage paid by the establishment relative to the average wage in the area. Other criteria would be the quit rate and layoff rate of the employer relative to the comparable area rates, and the turnover rate on the particular job or the occupation funded by OJT. The training format should be similar to that of apprenticeship programs; that is, follow an explicit schedule of job tasks to be taught at work. Prime sponsor representatives should visit the plant periodically to ensure adherence to this schedule.

(17) One way of increasing flexibility and versatility of programs to adjust to longrun labor market conditions is to use the purchase of services contract to a greater degree. This should only be used in areas that have established educational and training institutions that are not dependent on manpower monies. Furthermore, considerable care has to be taken that such contractors have demonstrated an ability to effectively train disadvantaged and minority enrollees. The most effective way to insure utilization of this

alternative would be to require that a certain percent of Title I monies be spent on purchase of services contract of this sort.

(18) In general, too much emphasis has been given to formal classes and too little to OJT in the primary sector supported by sophisticated job development. In addition, the formal classes have been confined to a relatively few conventional areas, repeating those taught by vocational high schools.

Specific Activities

(19) A vital part of the manpower system is job development. The concept of job development needs to be closely examined in order to understand better the nature of job development and what determines its effectiveness. At a minimum, the job developer must be someone with close links to a few industrial and occupational sectors. Job developers should know the type of skills and qualifications specific employers want. Job developers should be able to communicate these specific needs back to programs, so that they can prepare enrollees in a manner that realistically improves their chances of being hired and retained.

Job development and industrial and occupational projections are related. Given the state of the economic art projections at best can only identify growing industries and occupations. Which particular establishments are expanding and which offer the best longrun employment opportunities within these growing sectors requires intelligent job development. State Manpower Service Councils should sponsor studies of area economic trends. The actual studies might be done by the State Employment Services, or a State Economic Council (in Massachusetts this would be the Office of Economic Affairs), or local universities.

(20) Incentives are needed to encourage inter-agency and program cooperation. At present, programs receive no immediate credit for transferring a person. Nor is there much of a longrun benefit to transferring an enrollee unless a positive termination results. Incentives also are needed for programs to accept transfers. Program coordination probably requires that an agency receive special credit for achieving it.

(21) The failure to develop appropriate incentives for inter-agency cooperation can be illustrated by the dual system of adult education in Boston. The public school system teaches English to adults from other countries and cultures. Manpower programs have ESL courses doing the same thing. Admittedly the goals are different. In the first case, the goal is acculturation, in the second, employment.

Two separate questions can still be asked. First, should two independent systems teach English to non-English speaking adults? The second question is, should not educational funds be used for English classes and ETA funds only for stipends when no training or work experience is involved?

It appears that many of the burdens undertaken by ETA programs reflect failures of existing institutions; i.e., public schools, mental health services, etc. The justification for ETA programs is that new institutions will not make the same mistakes with the same clientele as the ones that served them poorly before. Nevertheless, should not educational or comparable monies finance the new ETA institutions where they are repeating the same services. The conclusion would seem to be that Federal efforts should concentrate on preventing problems by providing special financial and technical help to schools and other social institutions in low income areas with serious social and economic problems. Such an approach might hopefully help to halt the vicious cycle of self-perpetuating poverty.

(22) Extra credit should be given for placing those with exceptional labor market handicaps. This would be a disincentive for creaming. The handicaps to be considered should be the following: educational level, minority status, age, physical handicaps, emotional problems, and language and cultural barriers. The social priorities of prime sponsors would be reflected in the weight given these handicaps. The selection of candidates would be more open and more objective.